World News

D 8523 A

shed 20m jobs under

The Soviet Union was to cut by nearly a half the number of bureaucrats in the country's 15 republics, the Communist Party.

daily Pravda said.

The report indicated the vast number of job losses expected to result from Soviet leader Mikhail Gorbachev's reform programme. Page 18

Korean war warning North Korea warned that unless the North and South resolved their problems, the Korean peninsula could face a war. Page 3

Contras reject offer Nicaragnan rebels stood by a January 28 date for opening the first-ever direct ceasefire talks with the Nicaraguan Gov-ernment, rejecting Managua's offer to start the talks immedi-ately. Earlier story, Page 4

Belgian 'deadlock'

Royal mediator Willy Claes, who has tried put together a centre-left coalition to form the next Belgian Government, said the situation was deadlocked and he wanted to give up.

Fatah vows new raids

A Palestinian guerrilla chief of the Fatah organisation vowed to step up infiltration and suicide attacks on Israel, after a cross-border raid was foiled by

Gaza curiews eased Israeli authorities eased curfews on Palestinian towns and

refugee camps in the occupied Gaza Strip as unrest subsided.

Amal lifts siege

Bulldozers destroyed barricades around Palestinian refugee camps in Beirut following the lifting of a three-year-old siege by Syrian-backed Shia Amal militia. Page 3

Perjury chairman quita Mr Hannes Androsch, chairman

ers after they were withdrawn from Spain, to svoid the air-craft being pulled out of Europe altogether, official sources in Rome said.

Missile falls test

The US Navy destroyed an unarmed Trident-2 nuclear missile – designed to give US and British submarines the capability to destroy Soviet missiles in their silos – when it developed

Poliution plan shelved A plan to reduce pollution by cutting toxic exhaust fumes from small cars in the EC was postponed for the fourth time.

Libyan arms mission

A Libyan military delegation arrived in Brasilia on a mission to buy tanks and missiles, Bra-zilian newspapers said.

Alfonsin purges forces President Baul Alfonsin of Argentina began a purge of the middle and lower ranks of the armed forces after last week-end's abortive rebellion. Page 4

Hungarian TV ads

Hungarian radio and television would begin broadcasting com-mercials placed by foreign com-panies for products available in Hungary, Budapest said. Call to free Greens, Page 2

Colombia pipe patrol

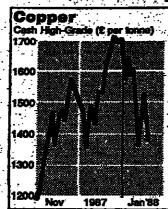
said it would begin permanent air patrols over a key 800km pipeline because of repeated guerrilla attacks.

Business Summary Moscow to Roche lifts Sterling

Drug offer reform plan to \$4.65bn

F.HOFFMANN-LA BOCHE Swiss pharmaceuticals group, increased its offer for Sterling Drug of the US for the second time in a week to \$81 a share or \$4.65bm. Page 19

COPPER prices recovered on the London Metal Exchange after falling sharply by up to \$90 (\$162) a tonne on nervousness about the market's ability



mism rescued equities from an object of persist otherwise poor session overhung by disappointing moneysupply and bank-lending figures and jitters over Wall Street's overnight fall. The FT-SE 100 index fell 5.6 to

Mr Hannes Androsch, chairman of Creditanstait-Bankverein, Austria's largest bank, who was convicted of perjury on Wednesday, resigned Page 2 DM1.6645, FFr5.6135, SFr1.3520, Y127.20. It closed in London at DM1.6635 (DM1.6605); FFr5.6075 (SFr1.3485); FFr5.6075 (SFr1.3485); Y127.15 (Y127.75). Page 29

STERLING closed in New York at \$1.7945. It closed in London at \$1.7965 (\$1.7925); DM2.9875 (DM2.9775); FFr10.0750 (FFr10.0525); FFr2.4275 (SFr2.4175); Y228.50 (Y229.0). Defence Secretary yesterday and replaced him by General

DUTCH discount rate was trimmed by 0.25 percentage points to 3.25 per cent, its low-est level in 16 years. Page 2

their silos – when it developed PORTUGAL'S trade deficit rose a faut on a test flight over the to Esc539hn (\$4bn) at the end Atlantic Ocean. UK costs fall, of November, Page 2

SAUDI Arabia is to consider tenders for the construction of a delayed \$160m lubricant base oil refinery at the end of this month. Page 4

TALES started in London on the rescheddling of repsyments of government-guaranteed credit of about \$200m owed to UK companies by Egypt. Page 4 JAPANESE electronics companies could invest as much as £100m (\$180m) in the UK this

year. Page 6 NISSAN, Japanese vehicle man-ufacturer, and Ford of Europe are discussing Nissan supplying four wheel-drive jeeps for the European market. Page 18

BANKAMERICA, second largest US bank group, reported fourth-quarter net profits down 27 per cent at \$60m. Page 19

NORWAY'S Banking, Insurance and Securities Commission, which is to further probe the accounts of Den norske Creditbank, said it would also investigate a number of other Norwegian banks. Page 20

Colombia pipe patrol

The Colombian Government craft engine manufacturer, has said it would begin permanent won orders worth \$205m to air patrols over a key 800km supply Boeing 767 engines for pipeline because of repeated Scandinavian Airlines and Luft-

Moscow proposes UN talks on Middle East peace

THE SOVIET UNION yesterday launched a bid to break the deadlock in the Arab-Israeli disdeadlock in the Arab-Israeli dispute by proposing that the United Nations Security Council hold a special meeting at foreign minister level to discuss setting up an international Middle East peace conference.

The suggestion came in a letter to Mr Javier Perez de Cuellar, the UN Socretary-General, from Mr Eduard Shevardnadze, the Soviet Foreign Minister.

It said that the Security

It said that the Security Council should "at once join in

tional conference...to find a rea- maintaining international secusonable balance of interests of rity.
all states concerned and ensure The Soviet Union has sup-

should be forwarded to a full meeting of council foreign min-

BY CHARLES HODGSON IN MOSCOW AND ANDREW GOWERS IN LONDON

all states concerned and ensure
lasting peace and security in
the region.

Mr Shevardnadze said the
five permanent members of the
Security Council — the US,
Britain, France, the Soviet
Union and China — should take
Union and China — should take
the initiative, and the conclusions from their deliberations stalemate in the "peace proshould be forwarded to a full coss". This deadlock has been

comes at a time of complete stalemate in the "peace pro-cess". This deadlock has been cited as one reason for the practical activities to establish isters in view of "the especial recent wave of unrest among a mechanism for an interna- importance of the issue to Palestinians in the Israeli-occu-

pied West Bank and Gaza Strip.

Referring to the disturbances in his letter as a "large-scale popular uprising", Mr Shevard-nadze said the trouble had served to focus the attention of the international community on the need to achieve a political settlement of the conflict "with-

out delay". There was no immediate reaction to the proposal from Washington. The Reagan Administration may be caught off guard by the Soviet initiative, since it appears recently to have acqui-

Securities and Exchange Com-mission, due to deliver its own

have not yet been consulted.

tion of Mr Yitzhak Shamir, the Israeli Prime Minister, to an international conference. The official US line is that it supports a conference or any other proposal which would lead to direct negotiations between Israel and its neighbours especially lorden between Israel and its neigh-bours, especially Jordan. The Soviet move is likely to cause concern on Mr Shamir's Likud side of the Israeli coali-

But it will be welcomed by Mr Shimon Peres, the Israeli Labour leader and Foreign Min-Continued on Page 18



BHP in \$1.42bn deal to recapture power from Bell and Elders

BY BRUCE JACQUES IN SYDNEY

BROKEN HILL Proprietary, the Australian energy, steel and resources company, has moved to take advantage of the bear market in share prices with a complex A\$2bm (\$3.42bm\$) deal to remove the power of its two biggest shareholders, Mr Robert Holmes à Court's Bell Resources and Mr John Elliott's Elders

• The company plans to off-will each retain an effective holding of about 10 per cent in the company, giving them considerable influence.

BHP has effected the deal by purchasing a Bell Group complex since the October market crash biggest shareholders, Mr Robert that a resolution was being negotiated to BHP's unstable share ownership at the company, giving them considerable influence.

BHP has effected the deal by purchasing a Bell Group company which contains about A\$300m BHP shares. It has paid Mr Holmes à Court A\$7 a

SI,379 (\$2,482). Commodities,

BHP's move, masterminded by Mr Brian Loton, its chief executive, appears to put combaint Economic Committee of into the hands of its professional management.

BHP has hired Lloyds International, the master in the day.

BHP has hired Lloyds International, the master in the day.

BHP has hired Lloyds International, the master in the day.

This follows several years during which Australia's larg-WALL STREET: The Dow est company has been fre-Jones industrial average closed quently on the defensive, giving its shares an unaccustomed – its shares an unaccustomed -and unwelcome - status as the LONDON: A late burst of optiobject of persistent speculative

buying.
BHP stammed markets yester-day with a multi-faceted announcement which has three

BHP has hired Lloyds Inter-national, the merchant bank, to advise it. The course of action announced last night will change the nature of BHP because Mr Elliott and Mr Holmes à Court will relinquish their board seats.

BHP will appoint six new directors in their place, four of them company executives and the others outsiders, including Sir Eric Neale, the former managing director of Boral, the large Australian building prod-ucts group.

Street's overnight fall. The FT-SE 100 index fell 5.6 to 1,747.2 Page 36

The company will form a joint company with Elders which will control Mr Elliott's prise a large number of career 19 per cent BHP stake.

BHP will pay A\$2.1bn, doubtless bring a different effectively so buy a 20 per cent emphasis from that is Mr Elliott which discouraged investors and the Niticel average lost 132.88 to close at 22,710.26, its third stake in BHP held by the new more diverse.

The new board will thus company will form a joint company with Elders which will control Mr Elliott's prise a large number of career 19 per cent BHP stake.

BHP executives, who will doubtless bring a different emphasis from that is Mr Elliott's prise a large number of career 19 per cent BHP will pay A\$2.1bn, doubtless bring a different emphasis from that is Mr Elliott's prise a large number of career 19 per cent BHP will pay A\$2.1bn, doubtless bring a different emphasis from that is Mr Elliott's prise a large number of career 19 per cent BHP executives, who will doubtless bring a different emphasis from that is Mr Elliott's prise a large number of career 19 per cent BHP executives, who will doubtless bring a different emphasis from that is Mr Elliott's prise a large number of career 19 per cent BHP executives, who will doubtless bring a different emphasis from that is Mr Elliott's prise a large number of career 19 per cent BHP executives, who will doubtless bring a different emphasis from that is Mr Elliott's prise a large number of career 19 per cent BHP executives, who will doubtless bring a different emphasis from that is Mr Elliott's prise a large number of career 19 per cent BHP executives, who will doubtless bring a large number of career 19 per cent BHP executives, who will doubtless bring a large number of career 19 per cent BHP executives, who will doubtless bring a large number of career 19 per cent BHP executives, who will doubtless bring a large number of career 19 per cent BHP executives, who will doubtless bring a large number of career 1

trader in the company's options. It has been estimated t around A\$7.50.

Bell Resources said it was taking a loss of A\$296.1m on the sale before tax benefits, although proceeds from the sale allow it to repay its borrowings and leave about A\$500m on deposit. Mr Holmes à Court has aiready sold assets worth more than A\$3bn since the crash.

Part of this reflects necessity and stems from concerns on the part of his bankers, but the lat-est sale also contains an implied acknowledgement that his empire could not stand another large market fall. Lex, Page 18; Shedding shack-les, Page 21

NYSE Pöhl rejects considers criticism of halts in trading By Janet Bush in New York

THE NEW YORK Stock Exchange is considering temporary trading halts in individual shares whose prices register sharp rises or fails.

This is the second announcement within a week on measures designed to limit volatility in equity trading. Last week, the NYSE announced a six-day experiment to limit programme trading when the exchange falls or rises by 75 points or more. The exchange said vesterday it was likely this publicly criticised Germany for not buying French francs and for concentrating on the DM/ dollar rate.

The Bundesbank had been said yesterday it was likely this scheme would be extended. The NYSE's experimentation

with such measures is seen as an attempt to head off more formalised regulation on the exchange imposed from outside.

Wall Street vigorously opposes the kind of limits on the company of meeting its obligations, he added, noting that these had been increased when the EMS partners agreed to strengthen the system last autumn.

Mr Pohl said the Bundes-

opposes the kind of limits on price movements suggested in the report on the October crash by the US Administration-sponsored Brady Commission,
There is known to be a strong lobby in Congress which supports more regulation.
There is also concern within the securities industry that the Securities and Exchange Com-

He was speaking after a five-hour meeting of the bank's poli-cy-making council, which set an

mission, due to deliver its own report on the crash around the end of this month, could force new regulations on the market.

Talks on trading halts are at an informal stage. A NYSE spokeswoman said the proposals had not been discussed by the Board of the exchange but said they would be on the agenda of the next meeting to be held on February 4. It appears that member firms have not yet been consulted. BY SIMON HOLBERTON IN LONDON

It is clear, however, that the (\$8.8bn). proposals suggest trading in a stock should be halted if the price rose or fell by a pre-deter-mined, but as yet undecided, percentage and that limits would initially be tried on a handful of stocks.

Since the experiment limiting programme trading through the exchange's Superdot electronic order execution system began, the Dow index has not come up against these limits. Wali Street, Pages 37 and 40 Continued on Page 18



exchange policy

MR KARL Otto Pöhl, president unchanged target range of of the Bundesbank, yesterday defended West Germany's central bank against French charges that its recent exchange rate policy had been against the spirit of the European Monetary System. He said it was regrettable that Mr Jacques Chirac, the French Prime Minister, had

bank's contribution to currency stabilisation was revealed by a rise in its reserves of some some 50 per cent, or DM40bn (\$24bn) last year. Its dollar reserves alone had risen by \$15bn, while intervention within the EMS had led to net inflows of DM18bn.

unchanged target range of between 3 and 6 per cent for money supply in 1988, but switched from central bank money stock to the M3 aggregate — a broader definition of money supply.

For the past two years, the target range has been overshot as capital flowed in during foreign exchange market unrest.

Explaining the expected definition of the past in the expected definition of the particle of the properties of the properties of the properties of the properties of the particle of the properties o

Explaining the expected decision to change the basis of the German money supply target to M3, he said this had been done mainly for technical reasons. mainly for technical reasons.

M3 was internationally better
known and gave less weight to
cash holdings, which have risen
rapidly, than central bank
money stock.

Mr Pöhl emphasised the central bank's continued commitment to price stability peting.

ment to price stability, noting this had been achieved to an astonishingly high extent in the

past five years.

However, Mr Pöhl said the main subject had been how the Bundesbank could reconcile its legally-enshrined monetary autonomy with the new Franco-German economic and finan-

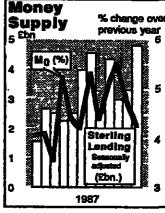
UK bank lending surges

THE UK Government's dilemma

over interest rates was yester-day highlighted by official fig-ures showing a record surge in seasonally adjusted bank lend-ing in December of \$4.9bn

The strength of bank lending
- which appears to be boardly
based across the economy adds weight to the view that Britain has emerged relatively unscathed from October's share prices collapse.

Recent comments by the Chancellor of the Exchequer and the Governor of the Bank of England suggests that the authorities might be more com-



Aquino promotes Gen Ramos as Secretary of Defence

BY RICHARD GOURLAY IN MANGLA

chief who has been her consist-The move follows differences

between the two military chiefs over how to deal with the country's 19-year-old Communist insurgency and places Gen Ramos in a position from which he could succeed Mrs Aquino in the 1992 presidential elections. Since Mrs Aquino came to power 22 months ago, Gen Ramos has gained her confidence by thwarting repeated coup attempts. He led the military revolt which, backed by a civilian uprising, originally brought Mrs Aquino to power.

However, middle-ranking and senior officers have increas-ingly criticised him for being too political and not supporting their call for stronger anti-in-



Gen Fidel Ramos: political

Mr Ileto referred in his letter of resignation to his fear that "divisive elements and contro-versial issues" within the mili-

armed forces had achieved since February 1986 when Mr since February 1986 when Mr
Ferdinand Marcos was toppled
from the presidency.
Mr Heto, like the officers critical of Gen Ramos, had wanted
a tougher military approach to
the insurgency and a transfer
of command control to the Phil-

ippine Army, a national force, and away from the regionally organised Philippine Constabu-Gen Ramos, who comes from-the constabulary, is accused of promoting former colleagues, like General Renato de Villa who has been deputy chief of staff, into key posts. Gen de Villa now takes over as chief of

Mr fleto had wanted to introduce promotion according to merit, whereas Gen Ramos appears to support the tradi-tional system under which officers from the country's military academy are rarely promoted over those who were their seniors at the academy.

Lira weaker as curbs are lifted

BY JOHN WYLES IN ROME

THE ITALIAN lira weakened slightly against most major cur-rencies yesterday after the lift-ing of some temporary emergency foreign exchange restrictions imposed last Sep-

tember.

The decision to lift the curbs, imposed after heavy August selling of the lira, was taken against the background of alightly better than expected year-end balance of payments figures. These produced a 1987 surplus of Li,637bn (\$1.34bn)

These curbs were designed to curb suaded the authorities to act sooner.

At the close of trading in Rome and Milan yesterday, the lira stood at 735.17 against the 100 per cent of anticipated settlements and exporters 75 per cent of delayed settlements.

These curbs were designed to curb suaded the authorities to act sooner.

the year before. The Bank of Italy's gold and foreign currency reserves in December rose to L75,154bn from L72,070bn the previous month.

The exchange control measures were designed to currency wares designed to currency wares to exchange control measures were designed to currency wares to exchange control measures were designed to currency wares to exchange to exchange the supportion to exchange the support to the improvement in the balance of payments, the stabilisation of the lira in the European Monetary System and some the support to the improvement in the balance of payments, the stabilisation of the lira in the European Monetary System and some what calmer conditions in the support to the sup sures were designed to curb speculative buying and selling by importers and exporters. Importers were required to finance in foreign currencies

Rome a

suaded the authorities to act



<u>israelis</u> TAKE FIRST STEP INTO

TERRITORY Defence Minister Yltzhak Rabin,

Management: Why Mandelli taught itself

Editorial comment: Mr Balladur's Banking and the Third World: What it costs to forgive and forget

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into a test of wills, Page 3

UNCHARTED

who finds himself locked

Technology: Home, smart home 13 dream; The abortion bill

Bonn soothes fears on French defence link

BY DAVID MARSH IN BONS

THE Franco-German Defence ance. But Bonn has left unanCouncil due to be constituted in swered a string of important guestions about the functioning roundly rejected by ministers link was "neither an axis nor a means for France to move back of intensified Franco-German towards Nato's integrated com
The Franco-German Defence ance. But Bonn has left unanmeutral drift in the Federal A senior Defence Ministry how the brigade could develop.

Mr Manfred Woerner, the Defence Ministery in Manfred Woerner, the concerns are official said yesterday that the Defence Ministery in Manfred Woerner, the Manfred Woerner, t means for France to move back towards Nato's integrated com-mand structure which it left in 1966, according to Bonn gov-ernment officials. Bonn does not believe France

towards Nato's integrated command structure which it left in 1966, according to Bonn government officials.

Bonn does not believe France will re-enter formally, but the linking of French forces more closely with the forward defence of West Germany is seen as going at least part of the way towards mending the break.

The Government here has launched a strong public relations offensive to try to convince other Nato members, above all Britain and France, that the France-German move will not risk a split in the Alli-

gade will be drawn from its ter ritorial army, which is not part of the Nato military command. Officials and minister talk

about future expansion of the brigade to division level. But, given manpower pressures in the West German army, signifi-cant enlargement in the future could eventually cause a con-flict of interests with other Nato partners

Britain, is particular, believed to be worried that future expansion could employ troops who would otherwise be earmarked for Nato duties.



was trimmed by 0.25 of a percentage point to 3.25 per cent yesterday, the fifth such cut in three months and one which leaves the key rate at its lowest level in 16 years.

The Notherlands' central bank said it lowered all its official rates by one quarter of a point in an effort to ease the gallder's peralstant strength against the deut-sche mark.

sche mark.

sche mark.
The rates were cut without any reductions in West;
German interest rates, the
third time the Dutch have
moved alone since Novem-

ber.
De Noderlandsche Bank
(Dutch central bank) in
viewed as pursuing a more
independent monetary policy than in the past when itnearly always moved in tan-dem with the German Band-

rhe guilder's continuing strength against the Dimarkhas provided room for butch rates, especially capital market ones, to fall to the same or lower levels than German ones. In recent months the guilder has benefitted from strong demand as a result of German plans to impose a withholding tax on interest income, the dollar's weakness and less currency intervention than in rency intervention than in German.

Dutch money market rates, however, are still about 90 basis points about German ones and de Neder-landsche bank would like to see those come down as well. Thus the rate on a new special advance to the banking community was pared by 0.1 percentage points to 4.2 per cent.

The series of one-quarter point rate cuts also have been aimed at athoulating the singgish dutch economy. National income may hardly grow at all this year miless consumer spending and hardness lawsetment nick up business investment pick up more than expected.

Dutch trim French politicians divided over poor trade performance

raise differences within the right itself.
Last year's deflicit of FFr. 31.4bn, compared with FFr. 500m the year before, was broadly expected, as the bonus of cheaper oil imports gave way to lower purchasing power among France's traditional customers in the Middle East.
But the turnround in the industrial trade account, which tumbled from a surplus of FFr. 31.8bn in 1986 to a deficit of FFr. 11.5bn last year, has FFr 11.5bn last year, has brought the subject into the

FRANCE'S growing trade defi-cit, especially the deepening deficit in industrial goods, has sparked a debate between the government and the socialist opposition, and threatens to lem of physical investment. It is raise differences within the right traif which is not necessarily a prob-lem of physical investment. It is also a problem of where your overseas offices are and of your total costs at home — which relates more to wage costs than to capital investment," com-mented one senior official.

mented one senior official.

They take confort from the fact that after losing around FFr 50hm a year of markets in the oil producing companies, France is a succeeded in reorienting its exports towards Europe, and in the last few months has sharply reduced its trade deficit, with the rest of the EC.

FFr 11.5bn last year, has trade deficit with the rest of brought the subject into the EC.

political arena, for the issue of French industrial competitive-ness, and whether the government, should take more steps to promote productive investment, assumptions forecasts a stable deficit of FFr 32bn, but the policy which separates Mr Jacques Chirac, the prime minister, from his main right-wing challenger for the presidency, Mr Raymoud Barre.

The question of whether French companies are investing enough has become a ferish for French economic commentators, but at the Finance Ministry dollar-linked currencies.

EC aims to reduce tar in cigarettes

their countries.

Packets would also have to show the tar and mootine yield, according to the scheme, which will now have to be agreed by the Community's 12 member-

wages this year to price rises.

The National Bank led by Mr Windyslaw Baka has been arguing for greater financial string countries ask tobacco companies to display tar content on for example of minority of deputies voted a against a government motion seeking a greater than expected deficit in 1987. General Jaruseisk's speech to the deputies was in designed to head off the prospect of another anti-government wote on the budget.

The general also hinted that the rest disease.

The general also hinted that committee which he is asking member states to add a second more believe the EC had taken on specific slogan highlighting board the issue of consumer either the risk of cancer or acceptability.

Yesterday's proposals form of cigarettes sold in Britain consumption.

THE European Commission yeaterday announced proposals to sollige tobacco companies to for increasing taxes on tobacco, issue health warnings more widely to smokers and cut the amount of tar in cigarettes.

Under the plans, unveiled by Mr Manuel Harin, the European Commissioner for social affairs, all EC Governments would have to demand health warnings on tobacco, according to the Companies of cigarettes sold in mission. It cited as an example their countries. to lower tar levels by using better quality papers, filters and
tobacco, according to the Commission. It cited as an example
the variation in tar yield for
Gauloise between 22.8mg per
cigarette and 5.9mg.
However, it does expect the
proposals to pose "serious
adaptation problems" for
tobacco producers in southern

Airbus Industrie wants

Dean Consortium that claimer early 25 per cent of the world market for new jetliners in 1986, wants to set up an assembly line in the US, a senior executive said yesterday, Renter reports from Chicago.

Mr Adam Brown, vice president for from strategy said dent for group strategy said that Airbus needed to increase

bera' risk associated with the declining dollar, the currency in which worldwide sircraft sales

Mr Brown said Airbus wanted for Brown said Airbus wanted to exploit the cuts on assembly lines that make US military aircraft. For example, Lockheadwas reportedly seeking work for its C-5 assembly line in Georgia, and Airbus could take advantage of that capacity.

US airlines have already placed 129 orders and options for the A-320.

The US has been engaged in a long-simmering trade dispute with the European nations, saying that subsidies unfairly rob sales from Boeing and McDonnell Douglas.

Bonn-Paris defence link opposed

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

THE Netherlands opposes the creation of a Franco-German Defence Council because it would duplicate existing western defence institutions, Dr W F van Eekelen, the Dutch Defence Minister said in an address to the Royal Institute of International Affairs in London vester. tional Affairs in London yester-

day.
At the same time, the Dutch government considered that the involvement of France was an important condition for a European security policy. The probpean security policy. The prob-lem was to find the right framework for defence co-operation between France and other European countries.

Franco-German co-operation was certainly of vital importance, but co-operation with France was not an exclusive right of the Federal Republic. We all live in the same house and we all have to work together to make it as secure and safe as possible," Dr van Eekelen said.

The Dutch Minister hoped it would be possible to persuade France to co-operate with other European countries in a multilateral framework dealing both with policy questions and prac-tical co-operation. For the time being, the seven-nation Western

Dr van Eekelen advocated a two-track approach to achieve greater military stability in Europe following the signature of the Intermediate Nuclear Forces (INF) treaty, under which all ground-based medium-range nuclear missiles will be eliminated by the US and the Soviet Union

Soviet Union. This two-track approach, aimed at wiping out the Soviet Union's superiority in conventional forces, should include an improvement in Nato's conven-tional defence and a reduction in the "invasion capacity" of the Warsaw Pact through con-

ventional arms control negotia-The Dutch Defence Minister also came out strongly in favour of a continuation of Nato's present strategy of nuclear deterrence. Nuclear weapons have made the outcome of armed conflict incalcu-lable and that is why they are essential to the prevention of

In this context, Dr van Eeke-len said the Netherlands was strongly opposed to the aboli-tion of short-range nuclear weapons in Europe because that would be tantamount to **OBITUARY**

Innovative devotee of winemaking

BARON Philippe de Bothschild, who died on Wednesday aged 85, was a leading figure in the famous Angio-French banking family who devoted his life to ily who devoted his life to developing the Mouton Rothschild vineyard in the Medoc region of Bordeaux. Baron Philippe died at his Paris home after a long ill-ness which had considera-bly weakened him in recent

years.
Until the final mouths he occupied himself with his beloved Mouton estate," a spokesman said. An innova-tor in the often stuffy tor in the often stuffy world of French wine-mak-ing, Baron Philippe distin-guished his product by each year commissioning a dif-ferent artist to design the label.

Braque, Chagall, Miro, Dali, Picasse and Cocteau were among the artists who

His great commercial success was producing the cheaper Monton-Cadet, a blend of Bordeaux wines which is exported throughout the world.
His cultural interests



Baron Philippe: tireless work to improve his vineyard

were vast. He wrote poetry, produced plays and made France's first talking movie, "Le Lac aux Dames" in 1938.

Baron Philippe came to the Mouton estate, which had been in the family since 1853, aged 20 and worked tirelessly to improve its quality and reputation. When he took over, it was

classed as a "second growth" in the rigid kierar-chy of Bordesux wines dat-ing from 1855. But his efforts were rewarded when it was elevated to top-class first growth" status. With his American-born second wife, Pauline Fairfax-Potter, he set up a wine museum at the estate.

Chernobyl did not raise due to meet on Jamistry 29 to decide Mr Androsch who undoubly helped Mr. Vranitzky became chairman of the bank, a post he had held since 1981. The Brunster B Austrian bank chairman quits BY JUDY DEMPSEY IN VIENNA

MR HANNES Androsch, chairman of Creditanstalt-Bankver-ein, Austria's largest bank, has resigned following a court decision which found him guilty of perjury on Wednesday. Mr Androsch was fined Schl.08m (\$922,866) for lying to a parliamentary committee in 1981 which had been set up to investigate allegations of

corruption and other financial irregularities.s Mr Androsch, 49, a former finance minister in the socialist and often tipped as a future chancellor of Austria, offered his resignation to Mr Fritz Bock, President of Creditan-

stalt's supervisory board late The supervisory board was

as a political threat.
The demands follow serious

air and water pollution in the Budapest area where a fifth of

Budapest area where a fifth of disposal of hazardous wastes in Hungary's people live.

Mr Laszlo Solyom, a legal specialist, said the authorities suscess with two stroke engines—

organisation by the authorities Mr Solyom said Hungarian demo who have frequently taken environmental groups neither tions.

Call to free Hungary's Greens

Hungarian Radio recently pointed out that the makeshift

and Mr Androsch to work out how to create as few frictions as possible...Any form of make a political comeback. These two is the best way."

Mr Bock had already said on Wednesday he would recommend that Mr Androsch be their close allies as they have suspended at next week's board meeting.

Mr Androsch's resignation well for this very corrupt country."

raniation risks in Western countries, according to the nuclear energy agency of the Paris-based Organisation for Eco-nomic Co-operation and Devel-opment (OECD). Individuals in OECD coun-

radiation.

sible health effects, as cancers and genetic defects, will therefore not add detectably to the natural incidence of these.

The dose of radiation received as the radioactive cloud drifted across Europe varied from a few microsieverts in Spain and Portugal to between two and three millisieverts in the Nordic countries and italy. The average annual exposure to natural radiation is about 2 millisieverts.

The agency says, however that the accident offerver of lessons in vition, incidence of these. HUNGARIAN legal experts and officials are calling for the opposed the construction of a programme" nor their own idelegalisation of the country's dam on the Danube which it son to fear that the groups of the biggest in Eastern said was a threat to Hungary's were the "seed" of a Hungarian Greens Party, he suggested. Citalon and East Germany. The Communist Party has until now regarded environmental groups as a political threat.

The Circle opposed the construction of a programme" nor their own idelegalisation of the Danube which it son to fear that the groups were the "seed" of a Hungarian Greens Party, he suggested. Citalon opposed the construction of a programme nor their own idelegation. The Circle opposed the construction of a programme nor their own idelegation to fear that the groups were the "seed" of a Hungarian Greens Party, he suggested. Citalon opposed the construction of a programme nor their own idelegation to fear that the groups were the "seed" of a Hungarian Greens Party, he suggested. Citalon opposed the construction of a programme nor their own idelegation to fear that the groups were the "seed" of a Hungarian Greens Party, he suggested. Citalon opposed the construction of a programme nor their own idelegation to fear that the groups were the "seed" of a Hungarian Greens Party, he suggested. Citalon opposed the construction of a programme nor their own idelegation to fear that the groups were the "seed" of a Hungarian Greens Party, he suggested. Citalon opposed the construction of a programme nor their own idea of the programme nor thei

ber of lessons in radiation pro-tection, including the need to harmonise the radiation levels at which governments start to

The report notes, for example, that initial measures taken to stop the consumption of possibly radioactive products such as milk meant that greater Mr Laszlo Solyom, a legal specialist, said the authorities suscepted environmental groups of following political aims.

Several Hungarian officials have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. This has had the enterprise have also favoured legalising cheese. stablishment of clubs and soci-ties.

Several Hungarian officials secondary products such as asve also favoured legalising cheese. This has had the effect environment protection groups.

of delaying potential impacts vention levels and countermea-sures on stored foodstuffs.

nerves" from the authorities and that the government needed to be backed at such a

ment changes. Call to UN on arms cuts

monitor arms reduction. The countries are Sweden, Greece, India, Argentina, Mexico and

Tanzania
In Stockholm yesterday, the
six said they would propose
this before the UN Special Session on Disarmament in May.
"The idea is that the UN as a body should be a guarantee for a fair and efficient verification system," said Mr Ingvar Carls-son, the Swedish Prime Minis-ter, who hosted the third Six-

The idea is that the Soviet

Union, United States or France might be invited to put their satellites at the disposal of a UN governing body, providing information on disarmament. While welcoming the resumption of a dialogue between the Soviet Union and the US, the Six agreed that much more remained to be achieved in the remained to be achieved in the field of disarmament and called field of disarmament and called on the superpowers to honour the principle of a 50 per cent reduction in strategic armenals.

The six want a halt to the nuclear arms race on land and in space, a stop to nuclear testing, destruction of chemical weapons, and the diversion of military resources to civilian needs.

**The six want a halt to the bender, We're looking at some kind of partnership for final assembly. Mr Brown said.

**Airbus, a consortium of aero-space firms in France, West Germany, Britain and Spain, believes component manufac-

A-320 assembly in US

production because of a backlog of orders of its A-320 jet, which has been bought by several US

Gloomy West struggles to make the CSCE baskets balance

Judy Dempsey assesses progress, and lack of it, as the security conference resumes

THE 35 PARTICIPATING countries at the Vienna follow-up meeting of the Conference on Security and Co-operation in Europe (CSCE) return from the Europe (CSCE) return from the Christmas recess today torn between optimism on arms talks and deep pessimism on humanitarian issues.

The meeting which opened in November 1986 to review the implementation of the Helsinki Exal Act elements in 1975 by all the county in 1975 by all the 1975 by a

Final Act signed in 1975 by all the countries of Eastern Europe (with the exception of Albania), Western Europe, the Soviet Union, the United States and Canada are now sharply divided on what form the final outcome of the conference

The main reason why we are so divided and so slow in making progress is that the Soviet Union and its allies have got what they wanted," a Western

They think they have a new forum sewn up while we have got practically nothing in the humanitarian field. What we want from this conference is a

balanced outcome to all three Basket One consists of confidence and security building measures. Basket Two focuses on closer economic links between East and West, while Basket Three encompasses humanitarian increase.

Basket Three encompasses humanitarian issues.

There is little doubt that Basket One, which includes confidence and security building measures (CSBMs), has made significant progress. In previous review conferences, such as those held in Madrid and Beigrade, this was the toughest basket on which to agree.

Progress has also been steady in other arms talks. Since last February all the Nato and War-February all the Nato and Warsaw Pact countries have been holding informal meetings in Vienna to look at ways of setting up a new conventional arms reduction forum, to replace the 14-year-old dead-locked Mutual Balanced Force Reduction (MBFR) talks.

environmental matters and explained decisions only after they were carried out. He demanded guarantees for the existing laws governing the establishment of clubs and soci-

The meetings, known as the conventional stability tailes have been working in Basket Three. The point shown a draft paper drawn up by the gloom last July. In December, the Basket Three last July in December, the Paper drawn up by the gloom new form were agreed in principle by both sides. The push is now on for reducing conventional strams, a Western diplomational strams, a Western diplomation talks on confidence building measures. In affect, will take place within the framework of the CSCE are now on the table. All that is required in a negotiating mandate from the CSCE, at 1 finely it was as simple as that, a Western diplomation, are now on the table. All that is required in a negotiating mandate from the CSCE.

The mandate for the proposed conventional stability tails hinge on what progress that make the made in Basket Three—
The mandate for the proposed conventional stability tails hinge on what progress, a well as reducing the success of the last fines of the proposed conventional stability tails about glosmost the last fines on what progress.

The mandate for the proposed conventional stability tails hinge on what progress.

The mandate for the proposed conventional stability tails hinge on what progress.

The mandate for the proposed conventional stability tails hinge on what progress will be made in Basket Three—

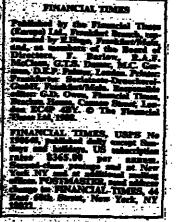
The mandate for the proposed conventional stability tails hinge on what progress is the proposal of the proposal stability tails hinge on what progress is the proposal stability tails hinge on what progress is the proposal stability tails hinge on what progress is the proposal stability tails hinge on what progress is the proposal stability tails about glosmost the last was the said the proposal stability tails about glosmost the scope of the proposal stability tails hinge on what progress is the proposal stability tails about glosmost the scope of the proposal stability tails hinge on what progress is the proposal stability tails about glosmost the scope of the proposal stability tails about g

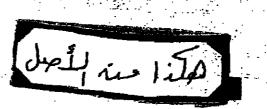
instance, insist that all Non-Governmental Organisations (NGOs) be allowed into Moscow, that Radio Free Europe be admitted, that lamming be ended, that dissidence be permitted and so on.

So far, Soviet diplomats in Vienna have given no concrete details about the scope of the proposed conference. "If they could pull it off, it would be great for their public image," an East European diplomat commented.

Ex-envoy critic of Romania vanishes

tera diplomats in Bucharest waters optimizes in Bucharest said yesterday they had not seen or heard from Mr Silvin Brucan, an ex-Romanian ambassader to the US who criticised the Communist leadership, since before Christmas, AP reports from Vienna.





Amal lift siege of Palestinian refugee camps

Chinese release Tibetan protesters

CHINESE police yesterday released 59 people detained after pro-independence protests late last year in the Tibetan capital, Lhasa, in a conciliatory

Andrew Whitley reports on a moody conflict uniting Palestinians of all backgrounds

Israel enters uncharted fighting territories

most serious disturbances Israel has faced in the territories it captured in 1967, the security forces have run the gamut of the finely honed carrot-and-PALESTINIANS rushed out to seek long-lost kinsmen and friends, others through do the siege had driven compositions of the siege had driven compositions of the siege had driven compositions of the siege had driven compositions that shadow the state of the siege had driven compositions that the same state last year in the Thetan Stillal Lana, the second-rank-line strained cover, and the guerrillas inside will have to adjust to a discrimining peace.

Stone-throwing youngsters in the large-lock houses and make started and hinded in damp lar revolt sales and spreading popular revolt sales and spreading popular revolt sales and spreading popular revolt sales had conducted and chartle postions that many towns of Bouri Barajuch and Chartli yesterday after Amal fighters and their co-religions the selection of the siege had driven control over the shealty towns of Bouri Barajuch and chartle yesterday after and Chartli yesterday after and Chartli yesterday after and Chartli yesterday after shealth of the shealth of the shealth of the selection of the strain on the process of the strain of the strain on the process of the strain on the process of the strain on the process of the strain of the strain on the process of the strain on the process of the strain of the strain of the strain of the strain on the process of the strain of the strain on the process of the strain o stick techniques used in the past to maintain control over the subject Arab population, all to little avail this time round.

delivered stern warnings to the country's minority Arab-population against becom-ing involved in the continu-ing disturbances in the occupied territories, Andrew Whitley reports.

Representatives of the 650,000 Arabs living within the pre-1967 "green line" borders, plan to hold a mass demonstration in Nazareth,

West Bank and Gaza Strip, as well as in Arab East Jerusalem, an important business centre of the Palestinian community, have taken a strong hold. Schools are closed, new Arab-owned buses are running, and all but the most essential shops - the pharmacies and those seiling bread and fresh fruit and vegetables - have been closed for weeks on end, para-

lysing normal life.
For Mr Yitzhak Rabin, the
Defence Minister, breaking
these strikes, through a combination of strongarm tactics and economic pressure, has become his latest personal test of will to the protest movement's shad-

owy organisers.
Confident that the street vioconfident that the street violence has either been curbed or
lence has either been curbed or

an Arab majority town, tomorrow. They have also threatened to hold a second one-day strike, similar to a successful stoppage last

on Wednesday night, a Molotov cocktail was thrown at an Israeli bus filled with schoolchidiren travelling along the Wadi Arsh road in North Israel. Stones were thrown at other buses.

that the shopkeepers' resis-tance will soon crumble, as financial necessity bites, Pales-tinians say this judgment is a serious misreading of the deter-mined mood of the population, to keep going until Israel is forced to make concessions.

An ironic sidelight is that those in the forefront of the beatings being meted out these themselves often Druze, mem-bers of the tough, paramilitary Border Police.

For the first time since 1967,

Apart from the commercial strikes, the best expression of this across-the-board solidarity eration Organisation.

To what extent this wish proves to be a self-delusion on the part of the Israell authorities remains to be seen. Their first task will be to locate these leaders.

this across-the-board solidarity has been the emergence of a wide range of mutual support bodies – from neighbourhood watchdog committees in the camps to philanthropic groups lending money and providing food to those facing hardship because of the work stoppage.

In the absence of any clearly thought out strategy from the politically immobile coalition associations are lending their government, the onus has, by services free to those whose default, been left by the Cabinet to the hardline Defence broken into by soldiers. Mean-minister, to face down the protests and restore law and order annexed Golan — a minority before undertaking any fresh before undertaking any fresh initiative.

However, while goverment officials daily express optimism that the shopkeepers resistant and the shopkeepers resistant and the shopkeepers resistant resis

a common front has emerged into Israel proper, is being nerable.

among Palestinians of all backgrounds in the occupied territories. Middle class factory owners openly sympathise with the
tactics of the refugee camp children. Bank managers who have
worked within the Israeli system all their professional lives
say the violent suppression of
the disturbances cannot contimue.

treated very differently from
Ramallah, just ten minutes
daily broken open in Ramallah
and elsewhere in the West Bank
by troops, in dealing with the
"reunited, eternal capital ofIsrael", Mr Hsim Bar-Lev, the
Police Minister, threatens
instead to cancel the operating
licences of striking Arab shops
and hus commanies. and bus companies.

Even though the occupied ter-ritories are Israeli exporters' second largest markets after the US, so far the shutdowns have had only a limited impact on Israeli business. Obviously, the financial consequences have been much greater, and more immediate, for the Palestinians themselves; and it is this that the Shamir government is relying upon eventually to wear down the resistance.

Indeed, both Mr Rabin and Mr Yitzhak Shamir, the Prime Minister, would be delighted to leave the commercial shutdowns and work boycotts alone, in gleeful anticipation of an implosion within the Palestinian camp, if it were not for two political considerations. two politial considerations.

The first concern is the dam The first concern is the damaging example that would be set by the de facto withdrawal of the security forces from the battlefront. The second is the governent's deep, almost pathological, fear of a sustained campaign of civil disobe-Border Police.

dience, a weapon to which the
East Jerusalem, incorporated Israeli state is dangerously vul-

Ministers meet on joint Gulf defence force

withdrawal of up to four of Navy.

the eight minesweepers The British Ministry of deployed in the Gulf by Britain, the Netherlands and Belgium, confirm that a reduction in the and formation of a joint force RN flotilla of four minesweepers was being considered. are the likely outcome of talks pers was being considered.
which the defence ministers of

which the defence ministers of the three countries began in London yesterday.

The three navies, which have co-ordinated their mine-hunting operations since last autumn when the vessels arrived, are confident that the waterway has now effectively been cleared of mines.

None has been found since.

None has been found since
November and the zone off

Kishing the Arabian Sea, an important transhipment area for Arab exporters, has been number of minesweepers declared safe by the Royal deployed.

In London, Foreign Office officials confirmed that the talks should lead to a more integrated force which would entail a reduction in the total number of minesweepers deployed.

Sri Lankan opposition wins poll concessions

-- 1:27

10 miles from Colombo, will be the first test of public opinion on an agreement that has roused the anger of the Bud-dhist clergy and encouraged Sinhalese extremist violence in

the south.

The ruling UNP party has decided to field a wealthy businessman from one of the island's best known Buddhist troops arrived in the island families. He is a consin of Mr Levasnriva.

OPPOSITION demands on elec The decision to reduce the tions in Sri Lianka secured two minimum vote requirement for tions in Sri Lanka secured two important victories yesterday. The Government finally under a new proportional repannounced a date for a parliamentary by-election and it responded to opposition protests by amending the new protests by amending the first the provincial elections resentation system is a concession by President Junius Jayer wardene to a united left fromt, the third force in the island's united left fromt, the third force in the island's protest to end of the island's ethnic conflict stipulated that polls would be held in the war-ravaged Tamil north and east before the end of December. The north and east will be administered by a single The seat has been vacant since of the form of the agriculture minister, resigned in provincial council for a trial protest against the parliament the peace accord signed by India and Sri Lanks in July.

Homagama, a predominantly sinhalese-Buddhist electorate 10 miles from Colombo, will be

While the slow return to nor-mality in the north, the Tamil heartland and the separatist stronghold may allow the gov-erament to hold the elections, the situation in the east, where

Jayasuriya.

Mrs Sirimavo Bandaranaike's opposition party, the SLFP, will join with two other minor opposition parties to nominate a former speaker of parliament.

Another division of Indian troops arrived in the island recently to bring the strength of the peace-keeping force to 48,000. Mr. Jayewardene leaves for New Delhi on Monday to be chief guest: at India Day celebrations on Tuesday

Korea could face war, **North warns Seoul**

"If the north and the south fail to solve pending issues, including discontinuation of large-scale war exercises, our nation will hardly become reconciled and united, reunification will be farther off and the nation will have no choice but to make a war."

In another devalorment the

In another development, the US announced it had put North
Korea on its blacklist of terrorist nations and has called for international protests over the country's alleged role in the adaptive of South Korean Classics. destruction of a South Korean

with its 115 passengers, Mr Charles Redman, State Depart-ment spokesman, said.

The terrorist listing - plus

NORTH KOREA warned yesterday that unless the north and the south resolved their problems, the divided Korean peninsula could face a possible war, Reuter reports from Seoul.

Rodong Sinmun, organ of Pyongyang's ruling Workers (Communist) Party, quoted by the official North Korean Central News Agency monitored in Seoul, said:

"If the north and the south fall to solve pending issues, which could greatly increase."

Washington said previously it agreed with South Kores that North Kores was responsible for the bombing on November

But Mr Redman said the evidence was even more compelling after US officials reviewed a confession by a self-proclaimed North Korean agent, destruction of a South Korean airliner by a bomb.

"We'll do whatever we can to make sure there's some price to be paid" for the destruction of Kim Jong II, son and heir Korean Air Lines Flight 858 with its 115 passengers, Mr Charles Redman, State Department spokesman, said.

The struction of a South Korean agent, Kim Hyon-hui, who said she belied plant a bomb aboard the plane on the direct orders of Kim Jong II, son and heir apparent of North Korean leader Kim II Sung.

North Korea has denied the charges and made no comment on the IIS apparent. operators take a longer view of 9'8" (2,95m)

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Genscher presses US over arms control

THE West German Foreign Minister, Mr Hans-Dietrich denscher, began a day of talks here yesterday with a plea for swift Senate approval of the Intermediate Nuclear Forces (INF) treaty and support for cuts in short-range nuclear

After meeting Senators, he called for further East-West arms reductions and added: "It would not be added: "It would not be enough to let matters stand' there. We are absolutely convinced that it would be in the interests of greater security that this disarma-ment process should go on."

A spokesman for Senator Richard Lugar, former chairman of the Foreign Relations Committee, who attended the meeting, said Mr Genscher sought an assessment of the future of US conventional forces in West Germany and to what degree the commitment would be maintained "cost-wise."

Mr Genscher's day in Washington included meetings with President Ronald Reagan, Mr James Baker, the Treasury Secretary, Mr Clayton Yeutter, the Trade Representative, and Con-gressman Lee Hamilton, chairman of a new congres-sional study group on Ger-

His US meetings follow the visit to Bonn of Mr Eduard Shevardnadze, the Soviet Foreign Minister, who criticised Nato proposals to deploy new battlefield nuclear weapons.

Senator Lugar concluded after the meeting that Mr Genscher was "obviously deeply concerned" about perceived disparities in tactical nuclear weapons in Europe and that he backed East-West "asymmetrical

"We did not discuss elimination," the Senator said. We discussed reduction and capping off at compara-ble cellings.

"Corrently, with regard to conventional and nuclear weapons, the Soviets ought to reduce to the weapons that Nato has, and that is the Foreign Minister's posi-

Alfonsin begins big purge of armed forces

This is the biggest purge since 1962 when the armed forces were shaken up after bitter inter-service fighting. The arrests also go beyond those directly involved in the rebellion led by ex-Lieutenant Colonel Aldo Rico, the renegade commando.

of this opportunity to clean up the armed forces, getting rid of all those plotters and conspiraan those potters and conspira-tors who have been trying to destabilise the country," said Mr Jose Ignacio Lopez, the pres-idential spokesman. The clean-up extended to right-wing civilians with close links to military hardliners like Rico, he

The initial figure for person-nel arrested after Monday's surrender of ex-Lt Col Rico and surrender of ex-th Cot and his supporters was 60 officers and 222 NCOs. Of these, 169 came from the garrison of Monte Caseros, 380 miles north of the capital, where Rico holed up on Saturday, defying the Government and calling for a shake-up in the command of the armed forces.

The remainder of the initial arrests covered three other gar-

PRESIDENT Raul Alfonsin of Argentina has begun a purge of the middle and lower ranks of the armed forces in the wake of last weekend's abortive rebellion. In the past three days more than 330 officers and NCOs have been arrested.

This is the biggest purge since 1962 when the armed forces were shaken up after bitter inter-service fighting. The arrests also go beyond those directly involved in the rebellion led by exclipitors and Color. rity prison.
Observers pointed out that
President Alfonsin, in the wake

of last Easter's rebellion, also led by Rico, intended to purge the middle and junior ranks of the armed forces. But at the time he was not sufficiently confident of the loyalty of the command structure as well as command structure, as well as other ranks. The only purges last Easter involved 13 generals, who were retired largely because of their failure to effectively challenge Rico and his supporters who had his supporters who had rebelled in a barracks on the outskirts of Buenos Aires. In the past nine months reforms within the armed forces have helped consolidate

the command structure, in par-ticular that of Gen Dante Car-idi, Army Chief of Staff.

The army has harboured the largest number of right-wing hardliners demanding recogni-

tion of the military's role dur-ing the "dirty war" against the left.

verted under all the offers if

they were accepted is put at \$161m.

will keep to their limit so that central bank disbursements due

under debt-swap agreements do not undermine strict money

supply policies.

The scheme is aimed at con-

verting debts already held in

promissory notes or state bonds issued by Argentine govern-

ments. Once a bid is accepted, the central bank will open a

Argentinian debt-swap draws strong response

INVESTOR response to Argentina's first debt capitalisation round has been better than expected, government officials said, Our Buenos Aires Correspondent property.

Bids for 15 projects, two more than forecast, were submitted by 14 companies, to a total value of \$224.6m. Officials had forecast project offers would be worth perhaps \$100m. The gov-ernment had set a ceiling of \$50m on the value of debts after discount, to be capitalised under the initial tender.

under the initial tender.

In the end, the nominal value
of debts which could be conin exchange for those debts.

start to peace talks A NICARAGUAN governmen

delegation has arrived unex-pectedly in San Jose, Costa Rics, to try to hold direct peace talks with rebel leaders who had planned only a preliminary meeting with a church media-tor Peace reports. tor, Reuter reports.
The ceasefire talks, the result

the first face-to-face negotia-tions between the Nicaraguan Government and the Contra rebels in six years of civil war.
On Saturday President Daniel
Ortega reversed his long-standing pledge not to talk directly
to the US-backed rebels. It was
one of a series of concessions to comply with the regional peace accord.

delegation, headed by Mr Victor Hugo Tinoco, Deputy Foreign Minister, arrived from Managua Minister, arrived from Managua on Wednesday night to test the rebels' willingness to hold direct talks, which were due to take place here next week, Nicaraguan diplomats said.

"We'd only planned a meeting with (church mediator Cardina Miguel) Obando y Bravo," Mr Chamorro said. "If they want to

the Cardinal to take back to Managua. The six Contra lead-ers said the proposal would be similar to one last December which Nicaragua's Sandinista government rejected as too

• President Ronald Reagan will ask Congress next week to approve close to \$50m for the Contras, a senior Adminstration

will vote on it on February 3. To increase the prospects for congressional approval, Mr Rea-gan said on Wednesday that less that half of the request would be for military equip-

Nicaragua seeks early

of a regional peace agreement, had not been expected to start until next week. They would be

The Nicaraguan governmen

One of the rebel leaders, Mr Pedro Josquin Chamorro, did not rule out holding face-to-face talks yesterday, but said the rebels might only negotiate with a more senior government delegation.

wait, there are very nice beaches here."

On Wednesday night the rebel leaders said they planned to give a new ceasefire proposal to

official said yesterday.

The request is expected to be sent to Congress on Tuesday.

The House of Representatives

"The majority of the aid that I will be requesting from Congress is for non-lethal assis-

Michael Tarr reports on accusations from right and left of election irregularities

Namphy tightens grip on Haiti

HAIT'S ELECTION saga has taken another sombre turn with the arrest of Mr Louis Dejoie Jnr, one of the four former leading presidential candidates who jointly boycotted last Sun-day's military-run general elec-tions and successfully urged most voters to stay away from the polls.

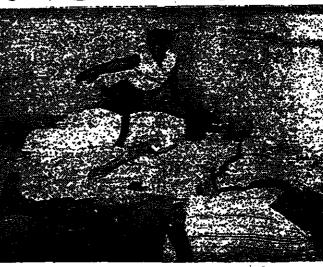
Mr Dejoie, a populist busi-

nessman farmer, has been held incommunicado since his return on Wednesday from abroad, where for the past month he had lobbled the US, Canadian and Caribbean governments to press for the removal of General Henri Namphy's caretaker ungs. Meanwhile, former allies of

General Namphy who ran for the presidency last Sunday are accusing the military of rigging the poll to ensure a victory for centre-right political scientist
Leslie Manigat.
According to partial results
released so far, Mr Manigat is
well ahead with slightly more
than half the votes counted.
Mr Deinie's detention is seen

Mr Dejoie's detention is seen as a warning to the three other centrist candidates who joined him in the boycott - Mr Marc Bazin, a conservative former World Bank official, Mr Gerard Gourgue, the centre-left human rights campaigner and Mr Syl-vio Claude, the slum-dwellers'

During his tour, Mr Dejole, 59, went further in his statements than his colleagues have dared, requesting a trade



Fourteen died in election killing last November

embargo of Haiti and, in an linked to the Duvalier family interview for a Haitian entile dictatorship deposed in February 1986. The control of the dictatorship deposed in February 1986. The control of the dictatorship deposed in February 1986. The control of the dictatorship deposed in February 1986. The control of the dictatorship deposed in February 1986. The control of the dictatorship deposed in February 1986. The control of the dictatorship deposed in February 1986. The control of the dictatorship deposed in February 1986. The control of the dictatorship deposed in February 1986. The control of the dictatorship deposed in February 1986. The control of the dictatorship deposed in February 1986. The control of the dictatorship deposed in February 1986. The control of the dictatorship deposed in February 1986. The control of the con Mr Dejoie, Mr Bazin, Mr Gour-gue and Mr Claude were the frontrunners in the aborted rights campaigner and Mr Sylvio Claude, the slum-dwellers' leader
leader
They have been branding the poll as a charade, claim that no more than 5 per cent of Haiti's Sunday because it was directly organised by the junta insteading of a campaign of civil disobedience to force its annulment. Foreign journalists put the turnout at about 10 per cent.

During his tour. Mr Deicie

Sunday's elections took place without violence, although the junta unexpectedly renewed a constitutional ban on leading presidential candidates closely

maintaining the ban seems to have been a desire to recover a measure of international legiti-macy for the elections. The US and France, the impoverished nation's biggest donors, suspended all but humanitarian aid after the November debacle. The Duvalierist barons have to the Duvalier regime, there is been reassured by the boycott no sign that the military has of the four frontrunners, who opened the doors to a resumption of sid.

The US State Department said

credible about Sunday's elections.
Aside from the low turnout, damaging accusations have come from two right-wing pres-idential candidates who rallied idential candidates who ramen to the junta's side in November. Mr Gregoire Engene, a law-yer, and Mr Hubert de Ron-ceray, a socioogist, are calling the elections "a military coup the elections "a Manigar"

d'etat in favour of Manigat.

They claim that military commanders told soldiers to vote
for Mr Manigat, helped him
with ballot distribution – which was the task of the candidates rather than the electoral authorities – and in some cases seized ballot boxes at the close of polls.

or pous.

They allege that Manigat's election agents bought ballots from people intending to vote for other candidates, replacing them with Manigat ballots, and accuse electoral officials of fai-

accuse electoral officials of falsifying some returns.

"If they wanted to catapult a
candidate to power, they
shouldn't have done it with
such brazenness," says Mr
Eugene, He has also voiced
anger at the rumoured role of
the Jamaican Government in
helping to persuade the junta to
back Mr Manigat.

However, despite opting for
Mr Manigat rather than Mr
Eugene or Mr de Ronceray, who
might have been more mallesble but are tainted by past links

ble but are tainted by past links

regime on human rights on Wednesday that "the quality charges, and by the fact that of these elections does not Duvalierists were not barred from running for parliament egory of countries that have municipal government posts.

But although free of bloodshed the transition to be shed there is little that was

Venezuela, Colombia face border chaos

VIOLENCE along Venezuela's long and turbulent border with Colombia is on the increase as the Venezuelan military clashes with Colombian guerrillas near the Aranca river in the south

Venezuela reports that 10 Colombian guerrillas were killed in shoot-outs with units of Venezuela's armed forces last weekend. The Ven Government is maintaining a heavy presence of soldiers and security police in frontier

of the matter, Mr Jaime Lusin-chi, Venezuela's President, has

called on Colombia to wipe out both countries are active. The border violence related to the "old" problem of political subversion and the "new" problem. Colombia's political turnoil and of narcotics. Venezuelan and Colombian

security officials have been dis-cussing ways of controlling bor-der flare-ups. Mr Jose Angel Ciliberto, Venezuela's minister of the interior, is scheduled to meet his Colombian counterpart later this week. The 2,250km border between

Venezuela and Colombia has ecome a violent and virtually lawless zone in recent years.

Wenezuela and Colombia have oped a long-term policy where Colombian guerrillas, as a long-standing and bitter diswith these problems, well as narcotics dealers, black pute over national boundaries der with Colombia with marketeers and criminals from in the Gulf of Venezuela, which an invitation to chaos.

ried that violence related to Colombia's political turmoil and world-scale narcotics trade will spill over even more into Venezuelan territory.

Until several days ago, how-ever, Venezuela's interior min-ister maintained that the bor-der situation was "normal" and was not a cause for alarm. The administration finally was forced to take action when it was apparent that matters were getting out of control.

is believed to hold large quanitites of oil. A number of diplomats and Venezueian Government offi-cials believe the country today is facing greater threats to its security than in the past, due to

Colombia's deteriorating politi-cal situation, widespread guer-rilla activity, and the continued ascendency of the narcotics Security measures up to nov have been applied patchily by Venezuela. As one Western dip-lomat said, until Caracas devel-

oped a long-term policy to cope with these problems, "its bor-der with Colombia will remain

WORLD TRADE NEWS

China signs car engine deal with **General Motors**

CHINESE car industry officials production," Mr Brown said. Senior Chinese economic and with General Motors of the US that could lead to co-production that could lead to co-production visited the US, where ventures projects for vehicle parts. were discussed with Ford,
They also complained that Chrysler and GM. joint ventures with Volkswagen and American Motors Corpora-tion have been unsatisfactory. The Chinese have been irritated by the slow localisation of prouction in the Volkswagen and AMC ventures, which are producing Santanas and Jeeps respectively. The aim of the GM link is to improve the quality of

local parts.
GM and Peking's General Internal Combustion engine fac-tory yesterday signed a \$20m contract for a second-hand GM line for the assembly of two-litre engines. Mr Barton Brown, president

of GM Overseas Corporation, said the contract was the "first step" in the company playing a *major role" in the modernisa-tion of China's car industry. 18.7 "Other projects, currently under negotiation, include a Ch

Industry Corporation, made clear yesterday that the government was displeased by the recurring need to inject foreign exchange into Volkswagen and AMC projects.

than assembly lines instead of the joint manufacturing projects that they had envisaged. Mr Chen said the proportion of locally-made parts was far too low, with domestic input amounting to 12.6 per cent of the Volkswagen project and 18.7 per cent of the AMC ven-

China imposed tough curbs on

Saudis re-open bidding on delayed oil refinery

BY FINN BARRE IN RIYADH

of a delayed \$160m lubricant base oil refinery in Saudi Arabia will be considered at the end of this month.

end of this month.

Five companies, Snamprogetti
of Italy, Technip, of France,
Niigata Engineering of Japan,
Foster Wheeler and Lummous
Crest of the US, have tendered
for the contract. The Luberef II refinery should be on-stream in

The 1.5m barrel per year refi-nery is a 70-30 joint venture hery is a 70-30 joint venture between the government-owned making the kingdom self-sufficient in all but specialty lubricient and Mobil cants. The surplus will be Oil of the US. The company exported, much of it as blended. Oil of the US. The company aiready operates Luberef I, a lubricants since the kingdom 1.74m barrel refinery built in has an oversupply of blending

Mr Chen Zutao, director of the China National Automotive

"We will continue to support these projects, but the localisa-tion rate must be speeded up," Mr Chen said. The Chinese believe that both are little more

foundry project, an axle programme and a project involving the manufacture of starter motors, distributors and alternations and additional component manufacturing ventures, leading eventually to vehicle imposed tough curbs of vehicles produced although the 445,000 vehicles produced domain.

Petromin originally tendered for Luberef II in March 1985, TENDERS for the construction awarding a contract to a Saudi-Japanese joint venture, Chi-yoda Petrostar, for engineering

However, within months of awarding the contract, the project was delayed because of a fall in oil prices. Petromin then said that the project would be revived once the financial situation involved.

Luberef II will be aimed at

UK begins talks on **Egyptian** arrears

By Richard Johns

The main issues facing The main issues facing Britain's Export Credits Guarantee Department and the UK Treasury in their exchanges with the Egyptian delegation will be interest rates and the exact amount of the payments to be rescheduled.

is a dispute between Cairo and the International Moneand the International Mone-tary Fund over whether President Hosni Mubarak's Government has met obliga-tions under the terms of the accord concluded last May on rescheduling about \$8hn debt of an estimated total of over \$40bn.

calculating the budget deficit.

So far Egypt has settled
with the US (\$1.5bn),
France (\$1.5bn), West Germany (\$500m), Spain
(\$400m) and Austria
(\$256m). It has not resolved
differences with Australia,
another major creditor
owed \$400m and a major
wheat supplier, over the
margin to be charged in
respect of Canberra's borrowings to cover the
amount to be rescheduled.

Deadlock between the
IMF and Egypt has held up
two credits worth the equivalent of \$60m out of the
\$560m committed by the
Fund under the terms of the
May 1987 agreement. May 1987 agreement.
On his tour to Western Europe and the US starting next week Mr Mubarak is expected to ask for more

TALKS started yesterday in London on the rescheduling of repayments of government-guaranteed credit owed to UK companies by Egypt, worth the equivalent of about \$200m.

of about \$200m.

The negotiations, relating to arrears up antil the end of 1976 and servicing obligations from the beginning of 1987 to mid-1988, are being held within the framework of the Paris Club

Overshadowing the talks

of over \$40bn.
Failure to resolve the dispute with the IMF over Egypt's observance of an agreed financial reform package could jeopardise the whole programme for rescheduling state-guaranteed debt and aid worth \$500m promised by the World Bank. The biggest issue is believed to relate to the size of and method of calculating the budget deficit.

Deborah Hargreaves reports on an industry battling against 'unfair competition'

US steelmakers look for Washington allies where near the amount (of semi-finished steel) we need from domestic sources," stresses an official at Lone Star Steel in Texas. But the company describes its four short-supply applications as a "frustrating" experience. It can take several months for Commerce to review and even then, there is no guarantee the allocation SEVERAL YEARS ago, a popular US cartoon depicted a steel-worker with a steel beam thrust through his belly. A leg-end on the side of the beam US PRODUCTION OF (Thousands of metric ead "greetings from Japan."
While US anti-importation

While US anti-importation rhetoric ought to start sounding defunct in light of the falling dollar, US steelmakers remain strongly against any relaxation in import restrictions. Although the current steel import restraint programme is not due to run out until September 1989, Big Steel is looking for a government commitment to its is no guarantee the allocation will be granted, the official will be granted, the official says.

Big Steel, however, says it has fought a long battle against "unfair competition" from imported steel and is not going to give up its hard won gains just yet. In 1984, steelmakers finally convinced a pro-free trade president to sign a voluntary restraint programme that would give them a five-year respite from burgeoning import levels in order to restructure.

The programme aims to limit government commitment to its continuation in spite of steel shortsges during the period of the boom market. Several re-rolling companies

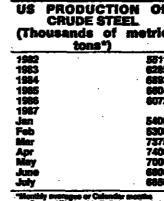
- those that roll semi-finished
steel slabs into strip - complain
bitterly about a shortfall in

their supply of raw materials. West Coast-based California Steel, for one, says it is having The programme aims to limit steel imports to about 20 per cent of the 100m-ton US steel market, through a series of Voluntary Restraint Agreements (VRAs) with importing countries

faced with bireaucratic applications to the Commerce tries.

Department to gain an exemption to import steel above the legal limits. To do this, they must prove that the types of steel they need are in "short Kalsi) says, they need longer.

After five years of longer, and with the most recent year's profits largely due to invest-



Milton Deaner, the AISI president, the industry's results are "not at all satisfactory." With another 18 months of With another 18 months of the VRA programme to run, steelmakers are looking for allies, particularly in the run-up to this year's presiden-tial election. But by regulating imports in this way, the steel industry is in danger of making a rod for its own back.

With market share in any

ent tax credits, stresses Mr

VRA based on traditional importing patterns, analysts point out that suppliers will be eager to hold onto their hardwon slices of the market. This could see supplying countries, struggling to fill their quotes in spite of a falling dollar.

Even the American steel importers association is resigned to an extension of VRAs and has shifted its position to push for some relax-

VRAs and has shifted its position to push for some relaxation in the current programme.

"While we would like a return from domestic mills after seeing to free trade, we reluctantly recognise that quite a bit of pressure is being exerted for a continuation of VRAs," points out Mr Rewin Klein, president of the American Institute for Imported Steel. "But there should be some major revisions to that programme."

"Makes tubes for the oil industry, has experienced difficulties in securing the steel it needs from domestic mills after seeing its own market pick up slowly in 1936 from being virtually non-existent. As the re-rolling companies' demands for slabs out difficulty meeting them.

US mills contend that they should be some major revisions that they should be some major revisions in securing the steel it needs from domestic mills after seeing its own market pick up slowly in 1936 from being virtually non-existent. As the re-rolling companies' demands for slabs out Mr Rewin Klein, president that they should be some major revisions to the companies of the companie Imported Steel. "But there should be some major revisions can meet domestic demand for in that programme."

The revisions Mr Klein is close for would remove semi-finished steel from restraint. While these so-called foreign "semis" are limited to 1.7m tons a year, imports have been running closer to 2.5m tons and there have still been shortfalls.

US mills contend that they can meet domestic demand for slabs, but temporary production difficulties have resulted in shortages. "Our view is that these shortages will soon come to an end," explains Mr Deaner. In 1986 domestic steel shipments were running at 77m tons and there have still been shortfalls. shortfalls.

"We have to stop our mill for a week or so every month, because we just cannot get enough raw material," an official at California Steel asserts.

California Steel, itself foreign-

Gatt still split on farm aid

to turn away orders because of a lack of sufficient steel slabs.

These mills complain of being faced with bureaucratic appli-

SERIOUS differences over farm subsidies continue to divide major participants as the international trade talks in the Uruguay Round get under way again, senior Gatt negotiators acknowledged yesterday.

The differences were underlined during exchanges on international farm trade reform at the National Agricultural at the National Agricultural
Outlook Conference which
ended yesterday in Canberra.
Mr Daniel Amstutz, US
Ambassador to the talks, reiterated the US's "zero option"

position, calling for an end to all subsidies and a dismantling of all trade barriers over 10 years. "The opportunity is now and it won't wait," he said.

But Mr Peter Pooley, the European Community's deputy director general for agriculture, insisted that the EC would not throw out its Common Agricultural Policy of incentives and supports. "We want to spend less and spend more effectively, but we will still be considerable subsidies s."

proper negotiating phase in Geneva next week, according to Mr Charles Carlisle, Gatt's deputy director general. He confirmed that a ministerial meeting would conduct a mid-terning would conduct a mid-tern

subsidisers." sidies and for greater disci-The Gatt talks enter their pline. Portuguese trade deficit grows

PORTUGAL'S annual trade deficit reached Es539bn (\$4bn) by the end of November largely because of a sharp growth in imports from the EC.

Healthy invisible earnings from tourism, emigrants' remittances and strong foreign capital inflows, were expected to show a small surexpected to show a small surexpected to the EC and a shout \$300m at the end of or over 70 per cent of the total, a sharp jump from a year earlier.

Fortugal's deficit with the EC more than doubled from Es95bn in 1986 to Es249.4hm in 1987. Italy, Spain and West Germany that inflows, were expected to show a small surexpected to show a small surexpected to the EC accounting of consumer and capital goods.

No 'disastrous' shortage if Iran blocks Gulf oil

Independent Tanker Owners.

by the Orga
In a report on the importance leum Export
of free navigation in the Gulf, report says.
Intertanko suggests that Iran Intertanko

Intertanko suggests that Iran might be tempted to close the strait of Hormuz if Western naval forces were to withdraw. This would prevent the transit of tankers carrying nearly opmen sit of tankers carrying nearly opmen per yearound 15 per cent of non-Communist world consumption.

Intertanko estimates that all strain but 0.9m barrels per day, could be replaced from other sources, including excess production the US japan; inventories and strategic petroleum reserves.

AN IRANIAN blockade of Gulf supplies rather than drawing oil supplies would increase on inventories.

Western oil import bills and This could push up the price reduce economic growth, but of oil by several dollars per barrel in the short term, possienergy shortage, according to burrel in the short term, possienergy shortage, according to bir followed by a permanent the International Association of increase in oil contract prices independent Tanker Owners.

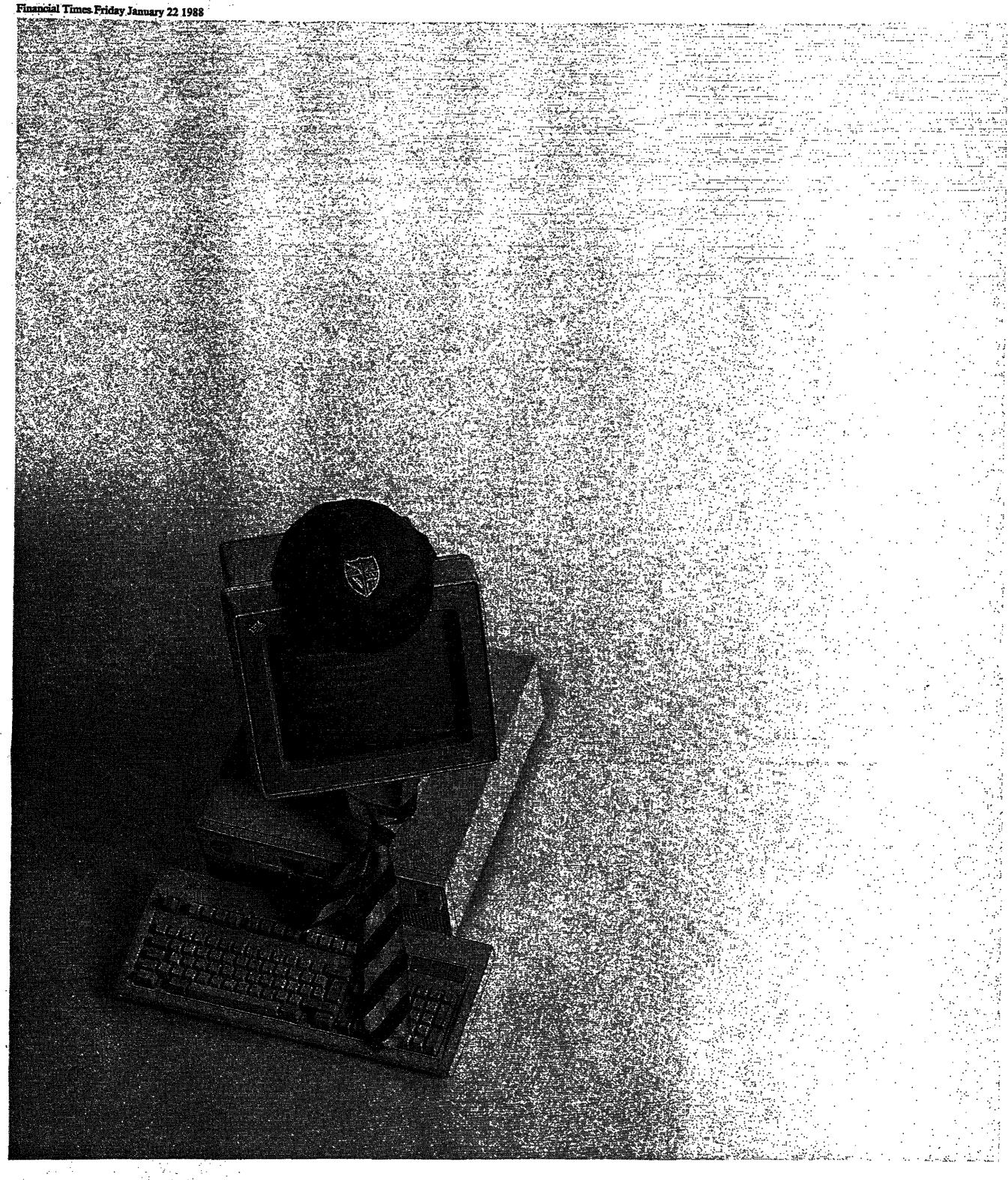
In a report on the importance of free navigation in the Gulf report agys.

Intertanko estimates that an increase of \$2 per barrel would increase the total oil import bill of the Organisation for Eco-nomic Cooperation and Devel-opment countries by \$12.5m per year.

The impact on growth would be far greater. An increase of \$2 per barrel would cut gross national product by \$57.7bn in the US, and around \$248bn in Japan, \$25bn in West Germany and \$50bn in France, the report

petroleum reserves.

But it concludes that the dence that refiners and oil comatmosphere of crisis likely to panies are concerned that the follow closure of the Strait Strait may be closed, despite would lead refiners and trading the presence of US and Eurocompanies to seek additional pean asval forces.



Why do many successful managers consult a 5 year old?

The 5 year old in question celebrates its birthday this month. (Many happy returns to the IBM Personal Computer!)

All over the UK, managers of the largest corporations to the smallest corner shop have found IBM Personal Computers more than capable of shouldering adult business responsibilities.

In January 1983 the standard for personal computing in this country was defined by the arrival of the original IBM PC.

During the last five years a whole new family of IBM Personal Computers has been delivered.

They now range, in order of seniority, from the IBM Personal System/2th Model 30 workhorse, up to its big brother the 386 chip-based Model 80.

These additions to the IBM family are expected to set personal computing standards for a whole new generation.

Sharing business concerns with a youngster may seem strange. But remember.

The experience of some child prodigies belies their age.

If you'd like to see the new IBM Personal System/2 range,
write to us and we'll arrange to send you the family album.

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BY PETER RIDDELL, POLITICAL EDITOR

ADDITIONAL Government funded by new money. Depending on the extent of the restructuring, this could easily amount to more than an extra 2450m to 2500m when other medical pay awards are included.

This is regarded by ministers as consistent with the Treasury's refusal — endorsed yesterday by the Prime Minister, the extra cost will have to be paid for by the Treasury from the consider its public spending decisions and to add extra spending in the March 15 Budget.

The cash increase will come in the Government's response to the proposals of the independent pay review body on nurses uring of nurses pay.

This is regarded by ministers as consistent with the Trea-

dent pay review body on nurses tion pressure, but can opposite the pay which is currently considering far-reaching changes to with the shortage of skilled reward skilled staff who are in short supply. Its report is Senior ministers and parlia-

expected in April mentary managers last night
The Treasury is at present claimed that most Conservative The Treasury is at present claimed that most Conservative declining to say how much of the extra cost above existing allocations will be separately conditions would not be an health day."

answer; the emphasis would have to be on improving effi-ciency, generating more reve-nue and increasing the private sector contribution.

Nevertheless, many Tory MPs argue that a short-term increase in money is necessary to give a breathing-space while any longer-term changes take

The Treasury is reluctant to provide more money for the NRS in the budget partly because it does not believe the case for an increase has yet been made, in view of differences in performance between hospitals; but it is also con-cerned that demands from other departments may be trig-gered.

This is, however, unlikely to end the debate on budget priori-

UK-overseas investment gap widening, CBI tells Lawson

THE CONFEDERATION of British Industry yesterday gave a warning of a widening investment gap between Britain and its overseas competitors and called for a substantial reduc-tion in the rising tax burden on

In its representations to Mr Nigel Lawson, the Chancellor of the Exchequer, ahead of his budget on March 15, the CBI said that he should eschew large-scale cuts in personal tax in favour of moves to encourage new investment in industrial plant, in research and in

training.

Any reductions in income tax should be concentrated on reducing the top marginal rates and in easing the poverty trap at the lower end of the income scale rather than on giving a generalised boost to consump-

Introducing the representa-tions yesterday, Mr John Ban-ham, the CBI's director general, emphasised the organisation's concern that a massive income tax giveaway could widen Britain's trade gap and put upward pressure on interest

Among the options open to Mr Lawson to improve the out-

Budget demands from employers Close investment gap between UK and competitors

 Reduce tax burdens on industry
 Eliminate wasteful public spending Increase public spending capital projects
 Encourage more small business enterprise

lock would be a cut in corporation tax, some restructuring of capital allowances, particularly for small firms, action to hold down business rates and increased flexibility in the business expansion scheme. At the same time the Government's plans for large increases in electricity prices should be

dropped.
The employers' organisation also re-emphasises industry's concern that the Government

years. Mr Banham said that since 1983, the Treasury's closed while industry saw a receipts from income tax had risen by £2bn, while the tax bill taken in tax.

on industry had gone up by

Part of that increase reflected the improved profitability of industry, but British companies were nonetheless paying more tax on smaller profits than their West German counterparts, Mr Banham said. The CBI devotes considerable

space in its representations to the investment gap between Britain and West Germany, which it says has widened by \$25bm since 1980. In 1986 West concern that the Government maintain sterling's value at a \$25bn since 1980. In 1980 west competitive level against other major currencies and take every opportunity to cut intermediately approximately to cut intermediately approximately ap It also highlights the dra-matic increase in industry's tax its spending on research and payments over the last few development and on training.

Trident costs trimmed by £222m

THE ESTIMATED cost of the Trident nuclear missile programme has fallen again over the past year by \$222m as a result both of savings in real terms and the impact of the rise in sterling against the dollar.

Revised estimates were announced yesterday by the Ministry of Defence, which also confirmed that Britain would join the project definition stage of the proposed joint Nato frigate for the 1990s, the NFR 90.

However, the go-ahead is dependent on progress at the appraisal stage, and follows a compromise between the Ministry of Defence and the Treasury at a Cabinet committee

The estimates were prepared towards the end of last year on the basis of a \$1.62 exchange rate. However, since every cent rise in sterling saves about \$20m, and the pound has appreciated this year, the current cost might be \$300m lower.

Mr George Younger, the Defence Secretary, announced that the project was on track to enter service as planned in the mid-1990s.

The announcement on British participation in the project definition stage of the Nato frigate, which will replace the Royal Navy's Type 42 destroyers, follows a lengthy Whitehall tussle.

lower.

Mr George Younger, the
Defence Secretary, announced
that on a longer-term basis the
real cost of the Trident project
was now \$1.04bn lower than
the original 1932 estimate. This
is in addition to savings resulting from the decision to have
UK missiles maintained in the
US in Georgia rather than in
Scotland.

Royal Navy's Type 42 centuryers, follows a lengthy Whitehall
tussle.

Six other countries, including
tussle us we US and West Germany,
signed a memorandum of
understanding last October, but
to like had been rejuctant to
sign because the programmes
for the ship and for the main
weapon systems have been out
of synchronisation.

day.

Mr Hurd was challenged at question time in the Commons about the revolt by his own backbenchers last Friday on a private member's bill to abolish Section 2 of the 1911 Official Secrets Act — which makes unauthorised disclosure of any official information a criminal offence.

Hurd hints

at limit

By Tom Lynch

to secrets

categories

REFORM OF Britain's secrecy laws could involve limiting the number of categories of Gov-ernment information to be kept secret, Mr Douglas Hurd, the Home Secretary, indicated in the House of Commons yester-

matters of secrecy are mainly of interest to the media and those concurned with the media.

He added that the mass of He added that the mass of patrictic people wanted state secrets kept state secrets.

Mr Hurd agreed that the flavour of discussion in his constituency last weekend had been different from that in the House of Commons last Friday.

He said there had been at least 15 years of public debate on the issue and there would be a full opportunity for inter-

By Michael Crasses, the Library Factions for any stepped on y restriction. Bindling only the second in assembly in Blackpool, on the surface of the surface

minds until the debate.

Several leading members of the SDP will also be in Blackpool, although Mr Robert Maclennan, its leader, has dropped a plan to attend. Lord Jenkins, the party's first leader, said yesterday that he was returning especially from the US.

He added:"I am still con-cerned that an honest marriage can, and should, be made...Re-cent disputes have not been between the two parties but within them."

However, Mr Michael Mea-dowcroft, the former Liberal MP and president-elect of the Liberal Party, yesterday stepped up the campaign against a merger, calling the package "divisive and biased."

Mr Adrian Slade, the Liberal president, said yesterday he believed the president believed the merger package would be approved by the

Abbey to fund commercial property

ABBEY NATIONAL has become the first building society to finance a large commercial property development, marking a significant departure away from the industry's traditional residential base.

Another leading society, which yesterday declined to be named, is expected today to follow suit by amouncing its own venture in commercial property development.

The entry of building societies into the commercial arena, though modest in terms of their total lending at this stage, could have significant long-term repurcussions. Societies have suffered from severe competition for modestial mortisetes. and are likely to welcome the opportunity to diversify into higher-margin lending which is also secured on property.

Abbey is providing £40m for

a development at Paddington Basin in West London.

Building societies were first permitted to finance property development by the 1986 Building Societies Act. Major housing development schemes have already been announced, mainly by Nationwide Anglia, which said last autumn that it would invest \$600m in rented would invest \$600m in rented housing over the next five

a full opportunity for interested parties to comment before the June White Paper (policy document) or between its publication and the framing of legis-



Housebuilding starts highest for 14 years

nts

than 194,000 private homes in Great Britain last year, the highest number for 14 years, according to figures published yesterday by the National House-Building Council.

The council expected house-building starts to remain high this year, although at a lower level than in 1987. Starts last

level than in 1987. Starts last year rose by 4 per cent compared with 1986.

Mr Basil Bean, the council's director general, said the stock market collapse had not affected housebuilding activity, although London house prices appear to be stabilising at the top of the market. Starts made on new homes during the final three months of last year were 28 per cent higher than during the last three months of 1986, underlining the continuing buoyancy in the housing market following the stock market crash.

However, the pace may be

the stock market crash.

However, the pace may be slowing in south-east England and Greater London, which last year accounted for more than 35 per cent of all private homes started in Great Britain.

According to the council, starts in the south-east during the final three months of last year were 3 per cent lower than in the previous three months. Housing starts in northern

England increased by 3 per cent over the same period. The south-east, particularly those parts of London where those parts of London where young professionals tend to live, is seen as the most vulnerable to the slide in share prices although so far house prices and sales have remained unaffected apart from some parts of Docklands in east London.

Building societies are more concerned at the way in which price rises have outstripped salary increases, leaving people in

their average annual wage to buy an average priced house, say the societies. They expect house price increases to be in double figures this year, aithough slower than in 1987.

High demand for sheltered housing for sick and elderly people has led to landowners obtaining planning permission for sites that are totally unsuitable, too far away from shops, public transport nontes or on steep ground, warns a report published yesterday by the House-Builders Federation.

Sheltered Housing for Sale.

BEC Publications, Federation House, 2309/11 Coventry Rd.

Shellon, Birmingham B26 2PL £10.

ary increases, leaving people in high priced areas unable to afford to buy their own home. Purchasers are having to borrow approaching four times their average annual wage to

Electronic transfer urged on

industry

THE TRADE and Industry Department is urging com-panies in 10 industrial sectors to communicate more business electronically in a project called Vanguard launched in 1986 to stimulate information transfer electronically for improved efficiency.

efficiency.
Such services are called value-added and data services. They include electronic messaging and electronic data interchange, where companies send documents such as invoices between clients and suppliers over telephone lines.
Until now electronic data Until now electronic data

Until now electronic data interchange has been adopted by only a few industries, among them motors and shipping.
However, the department, using responses to Vanguard's first phase which included free advice, has picked industries it believes most intersected to devalor. ost interested to develop the services.

They are textiles, whole-sale food distribution, elec-tricals, construction, educasupplies, sticals, brewing, tional serospace, agrichemicals and transport. Hazel Duffy reports on the campaign to provide business consultancy services

DTI preaches the enterprise gospel

A MISSIONARY zeal has taken over in the regional offices of the Department of Trade and

Industry.

In the north-west, getting the enterprise message over means civil servants getting closer to the customer. This is not just in Manchester, but also in Liverpool, Kendal, Preston and Crewe.

Mr Martyn Baker. DTI direc-

Mr Martyn Baker, DTI direc-tor in the north-west, moved his new team out of the Man-chester tower block into new premises in downtown Mosley Street in time to coincide with

the announcement last week of the new policies by Lord Young. Trade and Industry Secretary.

The team has been picked to go out and sell the new consul-tancy services. There will even-tually be about 30 in the whole region. Most had already been working in the Manchester office but a few have been net-ted from Whitehall in response to a pre-white paper trawl to to a pre-white paper trawl to find volunteers for the regions. The Mosley Street team work in offices designed to dispel the common image of the uncaring civil servant. A window to the ground floor offices displays the new departmental logo to bring home the message that the DTI is available to the businessman. Close carpets new nessman. Close carpets, new desks and terminals complete the image of a professional organisation, while an interview room for more private dis-cussions has been thoughtfully

It is all in line with Lord

department will only be taken seriously in encouraging busi-ness to become more profes-sional if it is seen to behave

likewise.

A similar approach will be adopted on Merseyside. The other offices will be in a college of further education — helping also to emphasise links between business and education — and a local chamber of commerce, which businessmen are already in the habit of consulting. The civil servants in these offices will be "field officers," says Mr Baker, whose job will be to build up a network of contact build up a network of contact points with local business.

"They will take every oppor-tunity to meet and talk to peo-ple. They cannot do that simply sitting in an office."

Getting closer to the customer the north-west, and the aim is is one of the first lessons in any management manual. In selling itself, however, the DTI is not actually providing the product. In the early stages, the product is consultancy services in areas essentially the means of introduct to have 40-50 — will decide on the sort of help that he thinks itself, however, the DTI is not the company needs. This will be provided by private sector consultancy services are essentially the means of introduction to consultance. essentially the means of intro-duction to services, while the Government will pay half the consultancy cost (two-thirds in much of the regions).

The scheme will work only if there are not long delays between application and getting the consultant into the comsuch as design, marketing and quality. Later, the regional offices expect to be more involved in the support for innovation programmes -encouraging companies to col-laborate with other companies

in research and development, and with higher education institutions.
The first step on the consultancy services ladder is to get an "enterprise counsellor" to do

Lord Young has the successful organisation of the Man-power Services Commission behind him, which combined public and private sector a one to two day visit to the company which approaches the department. The counsellor - new business initiative - which 15 have been recruited so far in

has experience already of providing consultancy services.

But there are some inconsis-tencies which will need atten-tion if the scheme is to work. The aim in Mosley Street is to provide as near as possible a one-stop shop. But there is the small matter of the small firms service offered by the Depart-

ment of Employment.

The DTI says that the two are complementary - Employment is concerned with helping small firms at the earliest of stages. DTI takes it from there - and that inquiries to one, which seem better suited to another, will be passed on Nevertheless, the separation of the two looks the effective working of a ser-

Then there is the matter of the budget. Despite the lip ser-vice paid in Whitehall to delevice paid in Whitehall to delegated budgets being a necessary part of devolved authority. Mr Baker does not have his own budget for the new initiative.

budget for the new initiative.

Lord Young explained his regional policy changes as the Government seeking to increase indigenous growth in the regions and avoiding the branch economy situation. If his regional offices are to be given a bigger role, as the white paper said, and to be told to identify more with local business, they will need to be given more financial responsibility.

Chemicals group in US growth

Bradford chemicals group, is spending \$16m (£8.8m) expanding its US plant in Suffolk, Virginia.

The investment is aimed at adding to a sales drive by Allied Colloids in the US, where last year the com-pany derived about a third of its £143m sales revenue. It will also reduce the costs of shipping products from the UK.

Ontput from the Suffolk plant, which employs 150 and was opened in 1963, is worth about \$11m a year, with the rest of Allied Colloids' US sales met by products from its main Bradford

The US expansion will increase production of the Suffolk plant by half and require about 50 more works. The plant's main prod-

ITV revenue totals £1.33bn

THE 15 regional independent television companies earned a record \$1.33bn in net advertising revenue last year. The unaudited figure

Advertising revenue varied from peak growth of 21 per cent is May to a 1.84 per cent fall in November compared with 1986. The rate is expected to slow this year but real growth of 8-10 per cent is being forecast. • TV-am, the commercial breakfast television comny, plans a wide variety programmes for US tele-tion and cable companies.

BP share advertising cost £23m

SALE OF the government holding in British Petroleum cost £23.1m in advertising bills, bringing official total advertisement spending on the privatisa tion programme to more than

260m.
The figures were issued in a written parliamentary answer by Mr Norman Lamont, Trea-

He said the next higgest bills were the £11.7m for advertising the British Telecom flotation in 1984 and £11.5m for the British Gas sale in 1986.

However, some media analysts say the tetal cost of popularising the gas sale, including advertisements and prospec-

Assuming Mr Lamont's fig-ures were calculated on a com-mon basis, the higher BP cost appears to reflect the size of the issue and difficulties of marketing it, aside from those

Government's 32 per cent stake and a further 20 per cent rights

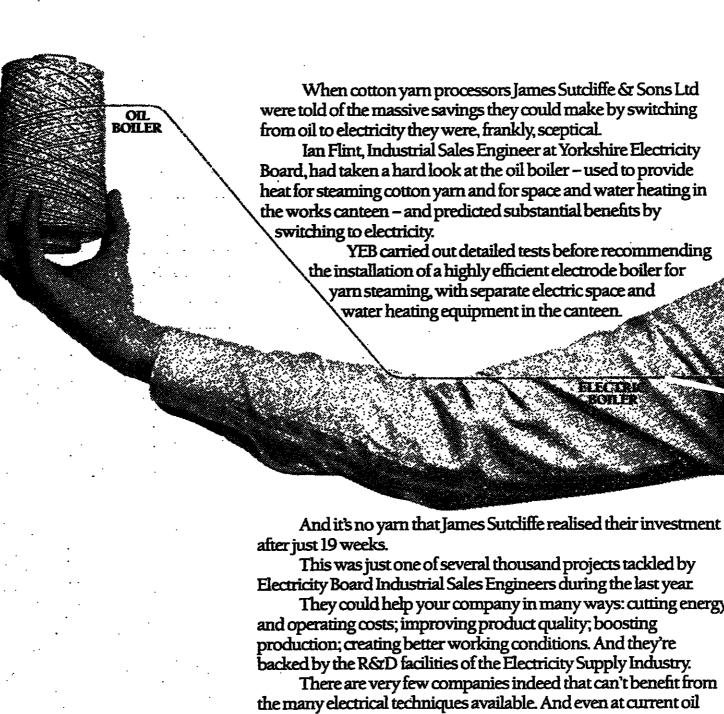
issue by BP.
An advertising executive said An advertising executive said that in a climate of falling oil prices those responsible for marketing the issue "had to cre-ate a feeling of scarcity and then persuade the public to get its money out of the building soriety."

The targets in the three flotations also differed — the British Telecom sale aimed : raising £4bn, British Gas at £5.6bn and BP at £8bn. Further, a bigger audience was sought for BP.

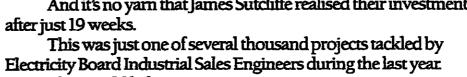
All three were marketed by Dewe Rogerson, the communications consultancy now advising the Central Electricity Gen

erating Board on

Government's more complex



The Electricity Council, England and Wales



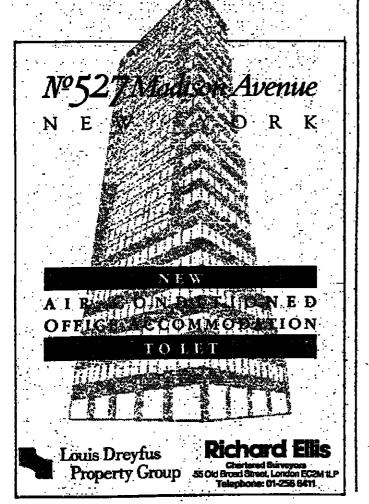
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There are very few companies indeed that can't benefit from the many electrical techniques available. And even at current oil price levels electricity brings substantial cost savings in many

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BY ALAN PIKE, SOCIAL AFFAIRS CORRESPONDENT

TWO LEADING private health organisations are combining to launch a scheme which they hope will widen the UK market for health insurance.

A more rapidly expanding private sector would help the Government to develop rela-tionships between the National Health Service and private health providers. In the absence of greater public funding, the growth of private insurance is one way of producing the increase in total health care resources which Mr John Moore, Social Services Secre-

tary, agreed last week was required.
The scheme, to be operated by Nuffield Hospitals and Cru-sader Insurance, is designed to encourage more people to take

out private health insurance as individuals. About 70 per cent of acute

population.

"We have to think very seriously about ways of increasing the size of the whole private £43.54 and £57.10.

The scheme dispenses with Questionnaires seeking details of applicants' health.

Nuffield. "A considerable percentage of uninsured people are some paying for private treatment out of their own pockets. It is now paying for private treatment out of their own pockets. It is a single rate for their age and conditions known to exist before the application will not now paying for private treatment out of their own pockets.
Our new scheme is designed to get through to such people and show them how attractive private medical insurance can be."

I to be with their age and family status, although medical conditions known to exist before the application will not be covered for the first two years.

The scheme is being test-launched in Birmingham and Plymouth.
Nuffield and Crusader say

About 70 per cent of acute medical activity in Britain's 200 private hospitals is financed by insurance. Estimates of the number of people covered by such insurance vary, but it is less than 10 per cent of the population.

"We have to think very seriously about ways of increasing the size of the whole private that the proposed for the size of the whole private that the proposed for the size of the whole private that the proposed for the size of the whole private that the proposed for the size of the whole private that the proposed for the size of the whole private that the proposed for the size of the whole private that the proposed for the size of the whole private that, by combining their resources, they can make premiums considerably lower than mornal. The monthly rate for a middle-aged couple with children will be \$31.84. The proposed for the proposed for the size of the whole private that the proposed for the size of the si

The largest rise was in the

There was a similar increase

Pulp and paper use increases by 7%

By Maggie Uny

UK USE of pulp and paper rose by 7 per cent and output by 6.5 per cent last year, Mr Bo Wer-gens, Swedish Pulp and Paper Association director general, said yesterday. The UK is Sweden's largest export market for paper.

for paper.

He was speaking in London on publication of the association's 1987 annual report. Worldwide growth last year was 5 per cent and followed a rise of the same amount in 1986. He said: "Europe has seen

five years of good consumption. We know by experience that after good years leaner ones follow."

However, he believed this first half would show growth and there were no signs the second half would be other than

Strong demand allowed price rises, particularly for pulp, where mills worldwide were

where mills worldwide were working near capacity. Market pulp stocks were at an historically low level of 12 days.

UK prices rose by 10 per cent in sterling terms last year. However, Mr Bo Berggren, president of Stora, the Swedish for ast-products group, esid pulposes. est-products group, said pulp prices were still far too low to make investment in new mills



The Financial Times Centenary Photographic Exhibition, which will tour the UK this year, was opened by Sir Geoffrey Howe, Foreign Secretary, at a private view at the British Telecom Tower in London yesterday. The exhibition contrasts pictures by FT photographers taken in the late 1980s with images of a century ago. Pictured are Sir Geoffrey, right, with, from left, Mr John Raisman, BT deputy chairman, Mr Errol Yates, Kodak UK chairman, and Mr Frank Barlow, FT chief executive. The exhibition opens to the public at Gatwick Airport on Feb. 1.

Army to set up HQ near Irish border

THE ARMY is to have a new brigade headquarters in Armagh to spearhead the fight against terrorism along the border between Ulster and the Republic of Ireland, Mr Tom King, Northern Ireland Secre-tary, amounced yesterday. The development follows a

review of security force deployment in Northern Ireland but will not result in more troops being sent to the province.
The army has two brigades in
Northern Ireland, at Lisburn
and Londonderry.

The review, carried out by Mr King in conjunction with Sir John Hermon, Chief Constable

of the RUC, and Lt Gen Sir Rob-ert Pascoe, the GOC, concluded that a new brigade headquar-ters should be set up to co-ordi-There are two military bar-

nate anti-terrorist operations.

Mr King said the measure did
not involve a change in security
policy and the Chief Constable
would retain overall responsibility for all operations conducted within the law.

Mr King said: "The quest for new and better ways of tack-ling violence and banishing the spectre of terrorism from our country is a ceaseless one, and I believe that these new arrange-ments for deployment will make a valuable contribution."

racks in Armagh and the new brigade is likely to be accommodated in existing buildings.

Its task will be to patrol the border regions with the Irish Republic, enabling the other two brigades to concentrate on supporting the RUC in other parts of the province.

A spokesman at army head quarters in Lisburn said the new brigade would be opera-tional within a few months. There would be redeployment of regular army trips but the role of the Ulster Defence Regi-ment would remain unchanged.

Hewlett-**Packard** in sales record

By Terry Dodsworth

THE STRENGTH of the UK THE STRENGTH of the UK computer market last year was underlined yesterday in figures from Hewlett-Packard showing record sales, profits and exports in the 12 months to the end of October.

The British subsidiary of the IS head company achieved

The British subsidiary of the US-based company achieved a 145 per cent increase in pre-tax profits to £31.8m against £13m in 1986. Turnover jumped by 20 per cent to £428m from £357m, while exports also went up by 20 per cent to £137m from £115m.

As a result of its expansion, the company increased its UK workforce by about 100 to 3,640 people, although investment fell to £24m from £25m. Part of the investment was in a new site at Bracknell, Berkshire, which the company has earmarked for customer sales and support operations.

earmarked for customer sales and support operations.

Hewlett-Packard, which also makes a range of electronic measurement products, sounded a confident note yesterday on its prospects for this year. The company has recently emerged from a long period of reorganisation and of remodeling its product line, and believes it is now benefiting from growing demand for its approach to network computing.

Tighter rules as unpaid tax increases

THE Government yesterday reported a sharp increase in the amount of unpaid tax that has been written off by the Inland Revenue from insolvents and from debtors who had gone abroad or were untraceable. The Revenue, however, appears to have tightened the

Answering questions tabled by Mr Gordon Brown, Labour's Treasury spokesman, Mr Nor-man Lamont, Financial Secre-tary to the Treasury, said a total of £299.8m in unpaid tax had been written off

rules covering the much smaller amounts it is prepared to forgo in cases of hardship.

numbers of non-payers whose debts had been written off because of insolvency.

That compared with £60.3m from 26,171 to 51,304 in the in 1979. Even allowing for the effects of inflation, that represented an increase of 200 per cent.

Promising Year Ahead for ANZ.

Highlights from the Chairman's address:



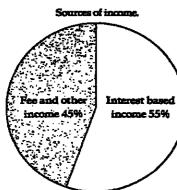
Addressing shareholders at the Annual

General Meeting on Monday, 18 January, 1988, ANZ's Chairman, Sir William Vines, made these points: As the most diverse Australasian

financial institution, we are now beginning to make our worldwide representation work for us in two ways - one in serving Australian and New Zealand companies overseas, and the other in servicing overseas companies with interests in Australia

Our organisational structure assists the achievement of these objectives and our diversity within tinancial markets is increasingly making us less reliant on any one aspect of our business.

This is evidenced by the fact that in 1987 some 45 per cent of our global earnings were generated from fees and other income, placing less reliance on traditional interest



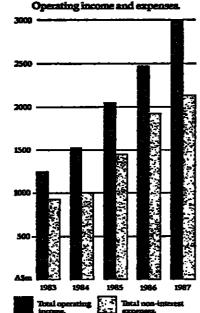
Group Results. Although the return on average share-

holders' funds was not increased above the previous year's level of 13.1 per cent, the decline which had occurred in recent years has been arrested.

Furthermore, earnings per share, adjusted for bonus issues or increased share capital, have increased by 3.8 cents to 55.0 cents, Issued capital at the year end had increased by 55 per cent over the previous performance is the increase in consolidated profit before tax. Excluding abnormal tems but including provisions for bad and doubtful debts, we achieved an increase of 40 per cent. On an after-tax basis, this translates to a 22.1 per cent increase in Group operating profit.

Another important measure of performance is the increase of almost 21 per cent. in total income. This is well above the 15 per cent increase in costs.

We are currently reviewing our policy on dividend payouts and you will be advised of the Board's proposals before next year's interim dividend is declared.



The task for the Board is to ensure that whatever is done has the effect of maximising returns to shareholders whilst at the same time ensuring the impact on retained earnings is not detrimental to the Group.

The question of issuing different classes of shares with different rates of dividends is being examined and a sampling of shareholders' opinions will be obtained. Abnormal Items.

There have been a number of comments in the media about the effects of the abnormal items on this year's profit result. The fact of the matter is that we had no option but to adopt the course that we did. During the year, the Bank offered eligible staff an opportunity to transfer to or join a new pension accumulation fund. Over 99 per cent of our staff volunteered to

transfer to this new fund. When this situation crystallized it was found that the Bank had, over the years. made significantly higher contributions to the old scheme under actuarial advice than is now found to have been necessary.

Under the rules of the original fund, any surplus was required to be transferred back to the Group. We treated the \$158 million after tax as

an abnormal credit, and balanced it out by charging against it an equivalent amount as an abnormal provision for bad and

Provisions for Debt. ANZ is in a strong position with the present level of its provisions. We have an exposure to 22 debt rescheduled countries of about \$1.5 billion. Our provisions against this now amount to 31 per cent of

all the relevant exposures on a future tax henefit basis. Furthermore, these exposures represent only 2.3 per cent of total Group assets which compares very lavourably with leading UK and US banks.

The real problem facing ANZ - and other banks for that matter - is not the level of exposure that we have to these countries. but the much higher level of exposures held by other major international banks.

We have daily inter-hank dealings amounting to billions of dollars and if any one of the banks we deal with had problems with foreign debt, we would feel the

Interdependency is such that a bank cannot isolate itself from these risks without withdrawing from the business of banking. Rifects of Stockmarket Cras

We are confident that ANZ will not incur a major adverse effect as a result of the stockmarket crash, although we have review of all exposures has revealed that ANZ's prudent lending policy has given us the protection we had anticipated. We believe that our shares are grossly

undervalued at present, and we hope that as the readjustment of stock values globally takes place we shall see a restoration of ANZ share price to its true value relative to other stocks. We are still the same Company that we

were before the crash - efficient and profitable - and this must ensure sooner or later a return to a fairly valued stock. <u>Grindlays.</u> Much of what was the original Grindlays Bank has now been absorbed

into ANZ, not only in name but also into the balance sheet. Overall, almost every sector of the Group's business achieved increases in

profit performance and this includes the

former Grindlays operations. The underlying Grindlays entity results showed significant improvement and this continues into the current year. Changes in Conscosition of the Group.

Changes will be continuous as we constantly adapt our operations throughout the world to try to ensure the most profitable organisation in the interests of our ehareholders.

We divested two business interests this year - Metropolitan Life Assurance Company of New Zealand and ANZ Finance Limited in the United Kingdom. Their future could not be reconciled with ANZ's strategic aims.

We also commenced the final stages of a major rationalisation of our London operations. Divestments and rationalisations are often counter-balanced with acquisitions.

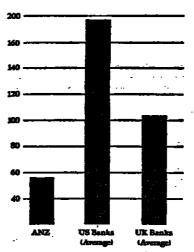
During 1987 we completed our 100 per cent acquisition of stockbrokers McCaughan Dyson which is providing current and potential value to the Group. Board/Management Changes. Mr. A. J. O. Ritchie retired from the

ANZ and other Group boards on 30 November. He gave distinguished service to the Group from the time of the Grindlays acquisition. During the year we were - a Director of the Group until 1986 and Chairman of our International Board of

Advice. He will be succeeded as Chairman

of this Advisory Board by that distinguished world figure Lord Carrington when his term of office as Secretary General of NATO ends on 30 June next.

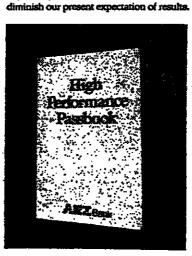
Debts to troubled countries as % of shareholders' funds.



Mr R. B. Vaughan, Chairman and Managing Director of the Dalgety Company in Australia, accepted our invitation to join the Group Board. These arrangements were concluded too late to include a resolution for shareholders to confirm his appointment at this meeting.

ANZ Prospects in 1988. We have given full weight to the effects, as far as we have been able to assess them, of the October stockmarket crash. We have also accepted that there will be some slow

down in world demand, However, we do not anticipate a major world recession in 1988 nor a currency collapse nor a widespread repudiation of their debts by the LDCs nor the occurrence of a major bad debt or series of bad debts by ANZ. Naturally any one of those happenings would of course serve to



After three months operations in the current year, profits are ahead of last year's by a pleasing margin, and ahead of our budgets. Revenues continue to increase at a faster rate than costs.

Directors believe that shareholders can. expect, in the absence of major changes in the global or local economies, a pleasing result for 1987/88,

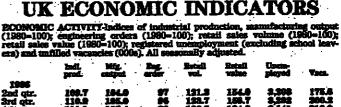
Securities offices link

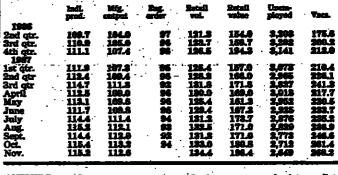
THE US and Japanese offices of Wood Mackenzie are to be integrated with those of County Securities. The move is a first step in the amalgamation of the two UK securities firms, which officially merge on Monday.

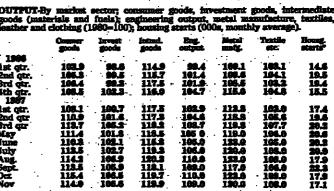
Further moves to rationalise operations are expected soon.

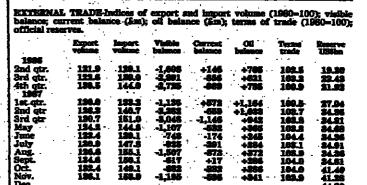
About half the 12 employees in Wood Mackenzie's Tokyo office will be repatriated or placed elsewhere in the County Securities offices. County has a firms,

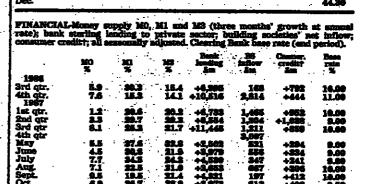
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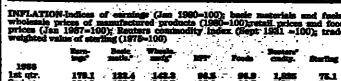


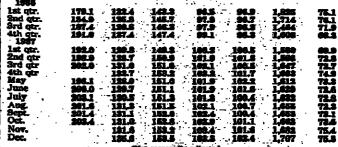












ANZ Group

Complaint against arbitrators fails

BANK MELLAT V

GAA DEVELOPAINT
CONSTRUCTION COMPANY
Queen's Bench Division
(Commercial Court):

Mr. Justices Steyn:
January 12 1988

MAJORITY ARRITEATORS
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Mr Justice Steyn so held when dismissing an application by Bank Mellat to set aside a majority arbitration award on the ground of misconduct, and

majority arbitration award on the ground of misconduct, and granting an application by GAA Development Construction Co for summary enforcement of the award against the bank. HIS LORDSHIP said that by a comtract made in August 1975 between GAA and Bank Omran, GAA agreed to buy land near Tehran from the bank and to build apartments. The bank was to receive the price of the land and 15 per cent of the proceeds of sale of the spartments. GAA was a Liechtenstein company, beneficially owned by Israeli interests. Bank Omran was Iranian, and was merged into Bank Mellat by expropriation in the post revolutionary period.

In the contract in spiritation of ICC rules by that the sabitation. It scriptinised awards, paying particular attention to form and the mandatory rules of the place of the hear datory rules of the place of the hear datory rules of the place of arbitration, without affecting istic, underting arbitration, without affecting arbitration, we string arbitration, we string for strengthened motivation of two issues.

All three arbitrations received the communication. Mr Djahrom was in a position to company, beneficially owned by Israeli interests. Bank Omran to convene a further meeting. The award underting the convenience of the communication in the post revolutionary period.

He was sent a copy of the revolutionary period.

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ity judgment and the dissenting opinion were considered by the ICC Court of Arbitration.

conciliation and arbitration of the International Chamber of approved on June 17.

Commerce (ICC) of Paris. The award was to be absolute and final, and the governing law of the contract was Iranian law.

Construction commenced in March 1977. In November 1978 work ceased on site. The ISIamic revolution took place and the project was doomed.

In June 1979 GAA gave the bank notice that force majorise.

tional commercial arbitration "We sward and adjudge..."

The ICC Court had no judicial function, but supervised the application of ICC rules by arbitrators. It scrutinised awards, paying particular attention to form and the mandatory rules of the place of arbitration, without affecting the decision.

The ICC Court did not approve the majority award, but sent it back for reconsideration, asking for strengthaned without affecting remarks of the place of argument to the wasting remarks of agreement to the senting remarks of agreement to the senting for strengthaned were fully and fairly consideration.

The application was dismissed.

On the second application before the court, GAA sought an order for enforcement of the award under section 26(1) of the Arbitration Act 1950.

Prima facis the award was final, binding and enforceable.

Bank Mellat resisted enforcement on the ground, inter alia, that the award was invalid in that it did not comply with iraompany, beneficially owned by strated he asked the chairman ras Iranian, and was merged into Bank Mellat by expropriation in the post revolutionary period.

Clause 11 of the contract provided that in case, of force reasons had merely been elaborated on, not changed, and should seek to reach agreement. She invited him to comment in the were unable to do so either party might refer the matter to arbitration.

Disputes were to be settled by the majority, and the matter to arbitration of the majority expressly added the Arbitration Act. 1950. Prima facis the award under section 26(1) of the majority expressly added the chairman televed him that the Arbitration Act. 1950. Prima facis the award was final, binding and enforceable. Bank Mellat resisted enforcement of the award was final, binding and enforceable. Bank Mellat resisted enforcement on the ground, inter alia, that it did not comply with Iramian Civil Code there was no either party might refer the matter to arbitration.

Disputes were to be settled by the majority and the revised award was placed by three arbitrators in London in accordance with the rules of conciliation and arbitration of the invitation.

Disputes were to be settled by repropriation of the majority acted in that it did not comply with Iramian Civil Code there was no liability to pay damages or compensation if a party failed to carry to principle and practice.

GAA's application was final, binding and enforceable.

Bank Mellat resisted enforcement of the award was final, binding and enforceable.

Bank Mellat resisted enforcement on the award was final, binding and enforceable.

Bank Mellat resisted enforcement on the award was final, binding and enforceable.

Bank Mellat treation Act. 1950.

This ruling is intended not to previse any action for the award was invalid in that it did not comply with Iramian Civil Code there was no liability to pay damages or compensation if a party failed to carry to principle and practice.

GAA's application was continued in the majority acted in the majority

on that ground alone the application failed.

In her telex the chairman had pointed out that the majority agreed the revisions by correspondence. She clearly took the view that Mr Djahromi should be able to explain his views in the same manner.

In the real world of international commercial arbitration arbitrators often had to communicate with one another by tele-

The ICC Court did not approve the majority award, but sent it back for reconsideration, asking for strengthened motivation of two issues.

All three arbitrators received the communication. Mr Djahromi was in a position to communicate his views to his coars.

The ICC Court did not arbitrators.

Mr Djahromi's views in his general principle that, in the absence of agreement to the contrary, the debtor should exceed the communication. Mr Djahromi's views and results of the government of the correction of the government of the correction of the correction of the correction of two issues.

The ICC Court did not arbitrators.

Mr Djahromi's views in his general principle that, in the absence of agreement to the contrary, the debtor should exceed the contrary. The real relationship is a position to communicate his views to his coars.

The ICC Court did not arbitrators.

That ruling was based on the general principle that, in the absence of agreement to the contrary, the debtor should exceed the contrary. The real relation was distanced in the principle that, in the absence of agreement to the contrary. The real relation was distanced in the contrary of the

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Thursday March 10

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Joe Bell on 01 248 9769.

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Exploration Company Limited (Registration No. 01/01879/06) 93 35 cents Vaal Reefs Exploration and 950 cents

Mining Company Limited (Registration No. 05/17354/06) Western Deep Levels Limited (Registration No. 57/02349/06) 52 Per ordinary and S ordinary share

Last day to register for dividends (and for changes of address or dividend instructions) Friday, February 5 Saturday February 6 Saturday February 20 Registers closed from to (inclusive)

Fx-dividend on Johannesburg and London stock exchanges

Currency conversion date for sterling payments to shareholders paid from London Dividend warrants posted

Payment date of dividends Rate of non-resident shareholders' tax GENERALE BANK, Agent Bank

Holders of share warrants to bearer issued by The South African Land A Exploration Company Limited are notified that the dividend is payable on or after Friday March 11 1988, to persons lodging their share warrants to bearer and talons at the office of the United Kingdom transfer secretaries, Hill Samuel Registrars Limited, 6 Greencoat Place, London, SWIP 1PL.

The full conditions relating to the dividends may be inspected at the Johannesburg and London offices of the company and the transfer

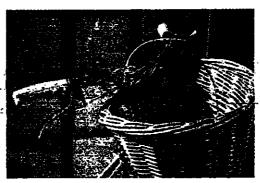
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per: C R Bull, Senior Divisional Secretary Bansler Secretaries Consolidated Share Registrars Limited First Floor, Edura 40 Commissioner Street Johannesburg 2001 (P.O. Box 61051 Marshalltown 2107)

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A roundabout way to get to market

IT MIGHT seem crazy to be talking about a new market when there is still no certainty about the effects of the talking about the eff equities collapse. But that is what is going on.

The new market is for the listing of single property schemes on the Stock Exchange. The talks are part of the regulatory merry-go-round, the effort to provide a framework of investor protection without frightening off those with single property vehicles to bring to the market.

These vehicles could be single asset property companies, single property ownership trusts or property income cer-

The market has appeared ready for launching but has not reached the starting point. Three sets of regula-tions are necessary from three sets of people; and the talk about the regulations is going round and round.

Talks between the property people behind the different

instruments on offer and the Stock Exchange, which were concluded last year, are now being repeated with the Department of Trade and Industry and the Securities

and Investments Board. It is unfortunate that the Stock Exchange, the body at the bottom of the regulatory pile, came out with its listing Now the DTI has published

for trust based schemes. The SIB has come out with its own draft and invited the Stock Exchange to bring its listing requirements into line.

The Stock Exchange listing

requirements of last May had the support of the property industry - that is, representatives of the Barkshire Com-mittee, promoting Sapco and Spot, and the Pincs Associa-tion. Investment companies, developers, banks, lawyers and surveyors are represented on both bodies.
But the DTI's and SIB's

tificates: a Sapco, a Spot or a draft regulations do not reflect a similar dialogue, adding to the liaison problem. "It is difficult to get three lots of regulations reading the same way," says Tim Simon, of Savills, the surveying prac-tice which is a member of the Barkshire Committee.

There are two general points: the first is that the DTI and SIB regulations are flexible enough to allow new instruments to emerge to reflect different criteria of ity is a must because, as Paul Walker of Lawrence Graham, the lawyers, says, "changing the law is difficult and

concerns within the industry about the draft regulations.

Property people argue that if
the Stock Exchange has to
mirror the SIB, it loses the ability to permit a degree of reject the possibility to a degree of reject the possibility to discretion in the detail that gearing might be appropriate for a refurblishment. will be necessary in the annual report of a single property scheme over, say, future expenditure. The reporting burden, therefore, becomes more onerous.

'It is difficult to get three lots of regulations reading a property. the same way'

The concerns have in common the thought that the reg-ulators are being too heavy-handed and are making more stringent demands of detailed. It is a most point single property schemes than whether the drafting has been are made of companies. Four stand out: two from the DTL

two from the SIB. The DTI has stated that, for investor protection or a the collective and trust changing tax regime. Flexibil- schemes (not the Sapcos), borrowing should be confined to three times the annual rental income. The aim is to ensure the law is difficult and that investors do not get time-consuming".

The second is that the Stock bilities from the vendors to

investments, but it would bear on Pincs. Such a level of borrowing would not consti-tute much more than working capital and it appears to reject the possibility that

Paul Rivlin of County Natwest, a sponsor member of the Pines Association, argues that companies run with gearing, and property schemes should also be allowed to. "If we do have to have a limit, let's have a sensible limit. But we don't want a limit." His idea of a sensible limit would be 75 per cent of the value of

Another problem for the industry in the DTI regulations is the power given to investors over major decisions - borrowing, refurbishment, disposals - at the expense of the original owners of the property. The assumption is that the vendors of any property to the market would

teep a stake in it.

If a vendor keeps 20 per cent, than that vendor should be able to vote for 20 per cent of the units at meetings, Mr Rivlin says. As Mr Walker put it, "investors and vendors should be treated alike", as joint participants, without investors being singled out for The first problem springing for repairs.

the demand for future esti-mates of rental value to be made at the end of the accounting period and con-tained in the annual report. It is argued that this could cut into rent review negotiations spanning the end of the finan-

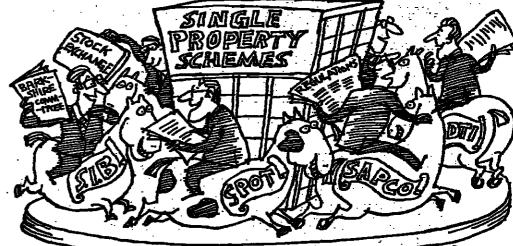
building is also required. It is not clear how this can sit with a publicly traded prop-erty stock, where the market is settling the value of the building through the prices at which the units in it are

The next SIB issue concerns the demand for an annual structural survey. The Stock Exchange listing requirements had wanted one every three

be done when a building changes hands or during preparations for refurbishment or

Why, asks Mr Simon, should the operators of a scheme be put in the position of publicly disclosing their negotiating position with a tenant? Mr Walker says there should be an escape clause so "you don't have to disclose when it is nercially sensitive to do

Industry people argue that a yearly survey is quite unnecessary. Normal practice is for a structural survey to nt. Most tenancy ements, in any case, make the leaseholder responsible



Careful timing will be the key

WHEN ALL the regulations have been settled, the sponsors of the different property schemes will need to consider the tim-ing of their first issues.

The Pincs Association was poised to come to the market with three issues last October, but was frightened by the possible effect of the DTI regula-tions. Then the equity crash killed off any lingering hopes of a launch.

The latest newsletter of the Pines Association seems to rale out any early decisions on a launch: "Until the extent of the reaction (to the equity market fall) is known, the valuation of a property for unitisation and the pricing of Pincs will be more difficult. We shall need a stable market for the successful flota-

tion of the first Pincs." From the start, the Pincs Association and the Barkshire Committee have acknowledged that the timing of the first issues is critical, because if the new market did not take hold then the chance of bringing new liquidity to the property market could

There is a belief that new issues have only a because market confi-dence has been knocked.

that, since equities are not the havens they used to be, the solidity of property becomes more attrac-tive, especially when new investment in it can readily betraded. That is certainly the view in Bel-gium where there have been new unitised prop-erty issues placed on the market since October.

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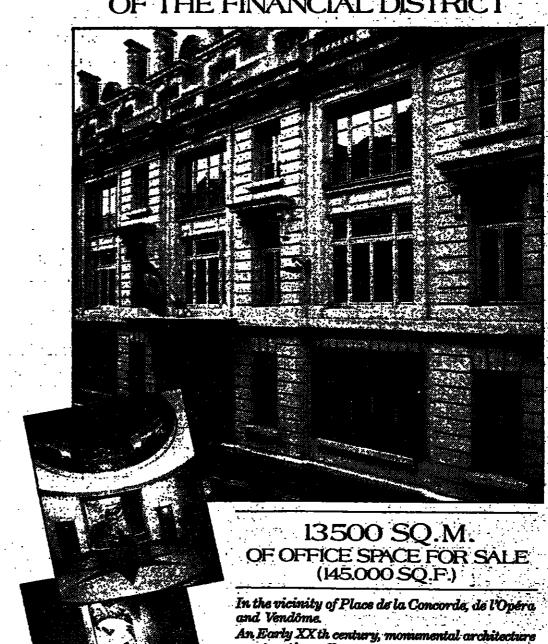
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Why Mandelli taught itself a lesson

Learning from European customers, the Italian group developed flexible manufacturing systems. Alan Friedman reports

CAN A MODEST-SIZED and family-owned Italian machine tools company turn itself in a very few years into a supplier of one of the world's most advanced flexible manufac-

turing systems? For Mandelli of Piacenza in Lombardy, some 30 miles south of Milan, the answer is yes. The company, which has opened subsidiary offices in France, West Germany, Sweden and the US, has followed an aggressive policy of heavy research spending and developed a sales strategy that has won it major orders throughout Europe and the US. Today the company can claim to have sold and installed 26 of the estimated 280 FMS factory automation. systems in place in industria-lised nations.

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्राकुट है। १८५४ के १८५४ के १८५४ के

The story of Mandelli bears telling because it exemplifies Switzerland was geographi-the rewards of forward think-cally near italy and because ing and of treating Europe as both the Swiss and Swedish a whole as its immediate markets were demanding market. It is also an example of a kets for precision machinery. company that has spotted trends in manufacturing and has pursued them in many European markets which have been traditionally treated by the West Germans

as their own back-yard.
The 52-year-old Giancarlo as their own back-yard.

The 52-year-old Giancarlo

Mandelli, a soft-spoken industrialist who recently completed a long-desired degree in political economy, recalls with pride that his father be realised that the machining founded the company in 1932

as a precision engineering these for a larger and integers. as a precision engineering firm that sought to become a sub-contractor for hig manufacturers. Mandelli and his two brothers - both of whom work on the technical side of the business - joined the fam-ily business in the 1950s machine tools association in "with the goal of bringing our Milan.
name to the attention of the in 1

name to the attention of the wider world."

In 1967 Mandelli launched

In 1967 Mandelli launched

In 1967 Mandelli launched

In 1968 Mandelli launched

In 1968 Mandelli launched

In 1968 Mandelli launched its first machine tool, built own computer-based numeriwith a numerical control sys- cal control system to accom-

had serious problems in sell-ing its products abroad. "We



were spending a lot of money on producing machining cen-tres, but we did not know who to sell to. We had no ref-

who to sell to. We had no rejerences and no track record,"
Mandelli recounts.

The company decided to hire agents in Zurich, Switzerland, and in Gothenberg, Sweden. These two foreign markets were chosen because cally near Italy and because both the Swiss and Swedish

Mandelli thought he could "learn as well as sell." The Mandelli family decided itself to finance a programme in which it gave its machining centres to companies - such as Voivo - on a trial basis.

ules for a larger and inte-grated system, which today is known as FMS. "They were always very advanced in their thinking and unafraid to spend on research," says an official at UCIMU, the Italian

tem, at a trade fair in Milan.
At the time the company had designing. Three years later, 82 employees, a small factory at Piacenza, sales of less than company's raison d'eire, from Libn and no clients outside building machine tools that

occurred which changed Man-delli's destiny. The first was that Amada, a Japanese machine tool company with 6,000 employees (more than ten times the size of Mandelli's staff), came to see the lit-tle company in Piacenza and

ended up paying \$2m for licences to use Mandelli's home-grown technology in the production of multi-purpose modules. Then, with persistent problems in the West German market ("our clients liked our products, but they wanted guarantees on delivery and servicing in the local language"), Mandelli invested in hiring ten people to open a European sales subsidiary in Wiesbaden, Mandelli Interna-tional Gmbh. The Japanese interest

proved to Mandelli that it was onto a solid technology, and the German office began winning orders in a big way. By 1983 around 40 per cent of sales were non-Italian; this is now up to 58 per cent. Other foreign offices followed, because, as Mandelli puts it, we realised that if you are going to make an impact in a foreign market you have to establish a direct physical presence and deal in their language, their culture and their

"We opened in Wiesbaden eight years ago because Germany is at the centre of the European market and because Germany has a more sophisticated financial system than Italy and we needed interna-tional trade finance. We believed then and do even more now in the need to get away from a local mentality and prepare for 1992. Germany helped us to do that,"
Mandelli explains.
Spending on research is the
second pillar of Mandelli's

strategy. At present some 115 people work on R&D and this year more than 10 per cent of the company's expected L120ba of turnover will go to



THE	GROW	ЛН OF	MAND		
	1983	1984	1985	1986	1987
Sales Operating profit	Lbn 38.96 0.1	Lbn 57.01 0.2	i.bn 65.12 9.9	Lbn 90.30 3.1	Lbn 120.00 6.0
Exports (% of sales)	40.2	42.5	38.0	56.9	58.0
No. of employees	613	616	646	726	780
· · ·			Not	a: 1967 figur	es are forecas

its equity. "We hope to come Rockwell in Italy, Caterpillar, to the stock exchange when Renault and Aerospatiale in market conditions improve. adds Mandelli, noting that 1987 marks the third year of a fully consolidated and externally andited balance

Earlier this year Mandelli also began a venture with ury car company. Ferrari is IBM's Italian subsidiary in partly owned by Flat and the which the US giant and the Flat group has its own FMS Piacenza family firm will conduct research aimed at realisation among the most ing the computarized factors. Piacenza family firm will conduct research aimed at realising the computerised factory.

Aside from the IBM venture (which sees the US giant with 49 per cent of control), Mandelli has also taken advantage of Italian government finanof Italian government finan-cial incentives to join three partners and launch HITEC, a research company in the south of Italy.

The non-Italian achievements of which Mandelli is most proud include a recently won \$20m order from Volvo to supply what will be one of the world's largest FMS installations to date, a system that will help produce 50,000 engines a year for Volvo sta-

Renault and Aerospatiale in France, Deere & Co in the US, Steyr in West Germany, and Sasb in Sweden.

Perhaps the greatest satis-faction for Mandelli comes from having supplied an FMS to the legendary Ferrari luxadvanced in the world.

The Italian press trumpeted Mandelli's achievement in beating Fiat for a contract to supply a Fiat subsidiary and Enzo Ferrari bestowed one of his Testarossa models on Giancarlo Mandelli as a sign

of his appreciation.

Meanwhile, Mandelli repeats that for his company and others in Europe the key is "to identify strategic mar-kets outside of your domestic base and then place people on the ground in those markets." It sounds simple enough, but in the battle for a Europewide market there are not yet enough Mandellis.

at Piacenza, sales of less than company's raison d'etre, from To help finance the growth, Libn and no clients outside "building machine tools that the Mandelli family has come from Rolls-Royce, which lad serious problems in self-index serious problems in self-index serious products abroad. "We see the proving and that this may cause and fair can differ sharply come from Rolls-Royce, which has bought a Mandelli system of the Banca Nazionale del merchant banking subsidiary of the Banca Nazionale del more from Rolls-Royce, which come from Rolls-Royce, which has bought a Mandelli system of the search.

Other foreign orders have come from Rolls-Royce, which has bought a Mandelli system of the search.

Other foreign orders have come from Rolls-Royce, which has bought a Mandelli system of the search.

Other foreign orders have come from Rolls-Royce, which has bought a Mandelli system of the search.

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Training

A different materials handling

New skills will be needed to deal with the developments from current technology. Charles Leadbeater reports

The development of new ceramics, fine ceramics and materials, such as fine technical ceramics.

The relative neglect of the ceramics, and biotechnology technical ceramics.

The relative neglect of the as specialists until they have completed several may be possible to produce, slightly suprising given that among other things, the bine tulip - could also have mation technology can be far-reaching implications for traced back to the developments in information technology can be for companies' skill needs.

While the implications for the developments in information technology can be biotechnologists will take be implications for the developments and most key biotechnology as specialists until they have completed several years post-doctoral research. This means that any significant expansion of Britain's output of skilled biotechnologists will take be implications for the developments in information to the development of the development of the development of the process by which it role of new materials is have completed several years post-doctoral research. This means that any significant expansion of Britain's output of skilled biotechnologists will take be a specialist until they are post-doctoral research. The many developments in information technology can be a special to the process of the process by which it role of new materials is have completed several years of the process While the implications for The germanium translator training of information assisted the wider diffutechnology and microelection of electronics because tronics has been fairly thorit was more compact and oughly examined, the implinated less power than therm-

technology has been a lack new products and processes of adequately skilled and will require completely trained manpower. It would restructured products and be sad to read in 20 years' production processes rather field S1 4PQ.

WHAT SKILLS will be time that a similar shortage needed to produce the chisive blue talip?

Indirectly this is the quesing the economic advantion posed by Tim Brady, tages of new materials techand Richard Pearson of Suesex University, in papers.

According to Brady for the growing importance of biotechnology will increasingly demand interactions.

sex University, in papers According to Brady, four presented to a recent Man-sets of new materials are presented to a recent Manpower Services Commission likely to have important
seminar. They argue that
the use of information technology will not be the only
way to transform industry's strong engineering plastics,
skill needs in the next adhesives, composite matedecade.

The development of new materials are
including the important in plastics, such as
adhesives, composite materials and high performance
ceramics, fine ceramics and
materials, such as fine technical ceramics.

oughly examined, the implications of these other technologies has been ment of silicon semiconductor mather neglected.

But as Brady warned: "It for the economic production is possible that in the next century new materials and materials based on biotechnology could be the basis of come from superconducting a transformation of skill needs as extensive as that

needs as extensive as that Developing these new now being experienced in materials will not only relation to information require greater investment technology." He continued: "One could ment, Brady argued. One of argue that one of the reasons for the failure of British industry to gain the benefils of information als for the innovation of the benefits of information als for the innovation of the benefits and the benefits of the

disciplinary skills, according to Pearson. It embraces biochemistry, biology, microbiology, genetics, and bioprocess engineering, and tries from agriculture and environmental control to health-care and pharmaceuticals.

Most key biotechnology several years to achieve, by which time the character of the industry could have

changed markedly.
But, Pearson warns, on current trends there is little likelihood that the skill shortages faced by Britain's relatively small biotechnology industry will be elimi-

The demographic downturn, combined with tight resources in higher educative salaries and working conditions in industry, especially abroad, means that the supply of post-doctoral biotechnologists is unlikely to meet demand.

Skills Needs For Technolog-ical Innovation, MSC Seminar Report is available from Gail Waring, MSC Skills Unit, Rooom W425, Moorfoot, Shef-

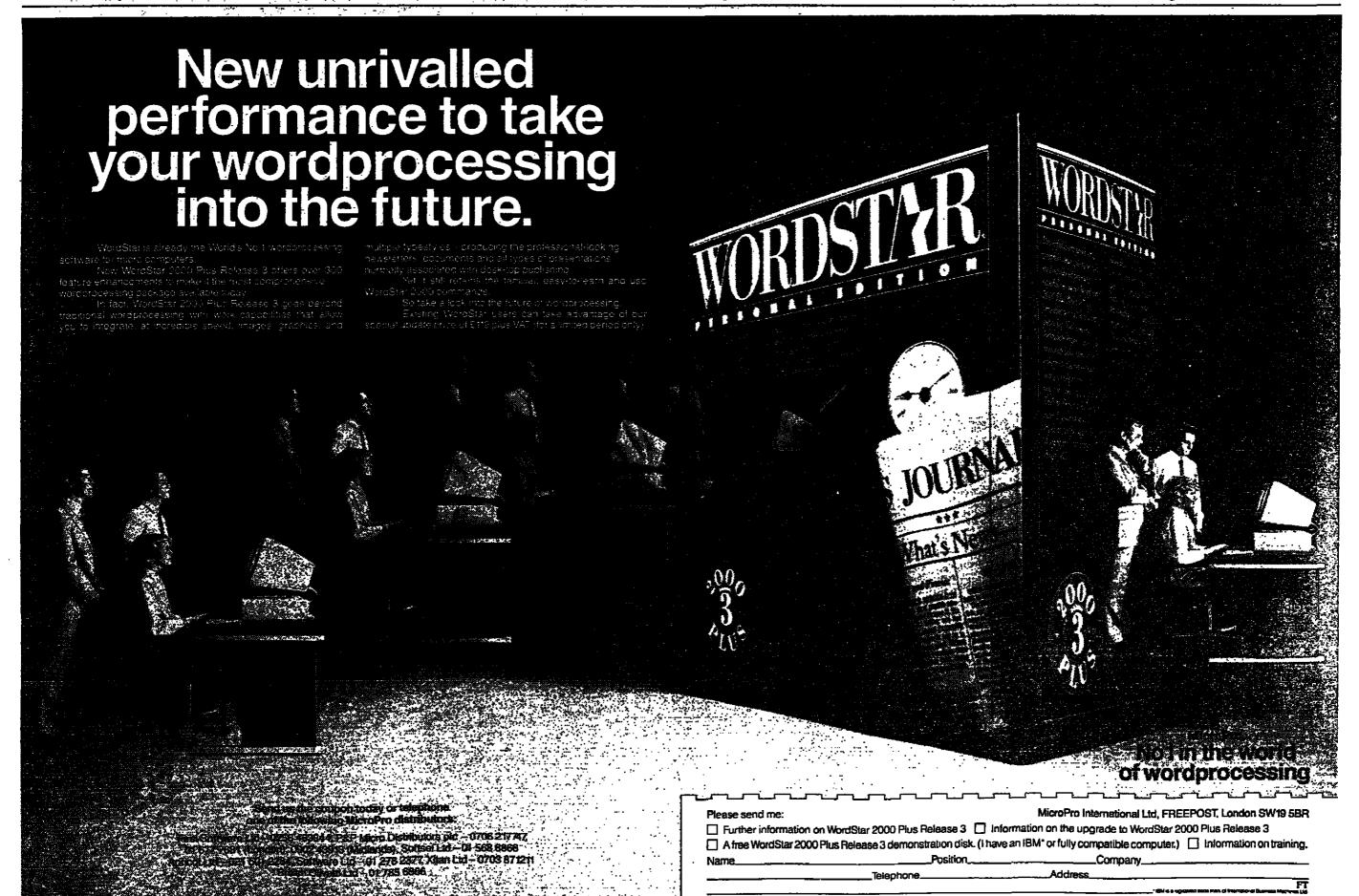
Management abstracts

Protecting your pension fund from predators. P Bennett in Accountancy (UK),

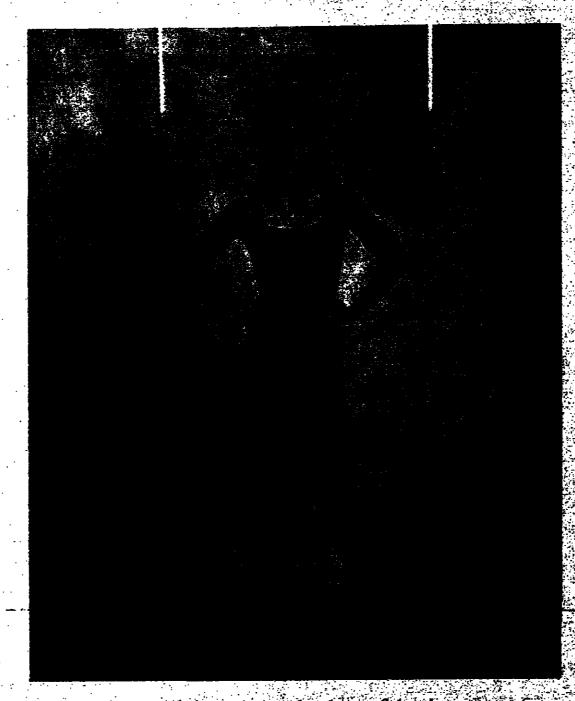
Defining 'true and fair' authorities - the former boundaries is a matter of issues comprehensive stanopinion. B Nixon in Accountancy Age (UK), 10 Sep 87, (2

reporting, noting that the that the optimum point lies over-riding legal requirement between the two; argues that Sept 87 (3 pages) is that accounts give a true pressures on comparation and fair view; contends that manipulate financial sion schemes are over-funded opinions as to what is true ments are increasing. particularly in the areas of bad debt provision, stock valuation, and contingent liabilities. Contrasts the approaches of the US and UK accounting

dards on the basis of legislat-ing for "scoundrels", the latter's standards allow more Looks at external financial room for discretion. Believes pressures on companies to manipulate financial state-



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future. Construction is due to

start next month and the project will be completed next

The Paris domotique confer-

ticipants from the electronic

But next year the confer-

Home smart home

France takes initiative on intelligent dwellings. Paul Betts reports

AFTER Informatique, Roboti-AFTER Informatique, Roboti-que, Productique, and Bur-eautique a new "tique" has entered French technology jargon — Domotique. The newly coined word, as its Latin root and high "tique" suffix suggest, refers to the new technologies of the home of the future. In most other western coun-tries, these new technologies

In most other western countries, these new technologies of the home are usually grouped together under the simple heading of "home automation". But the French insist there is a big difference between home automation and domotique, as the promoters of the French concept were at great length to explain during the first European conference on domotique, or the intelligent home, held recently in the new Cite des Sciences et de L'Industrie in Paris.

"Domotique is not just home automation. It refers to the wider concept of the intelligent home, covering the inte-gration and interactivity of all the various aspects and services. This is why we dis-tinguish in France between domotique and the Anglo-Saxon term home auto-mation," explains Bruno de

shows that the intelligent home market in the US, Japan, France, West Germany and the UK could total about \$7bn in 1990 and grow to \$12bn by 1996. "During the last decade of this century, and it would also cover the security system and the telephone and its extential extensions."

The concept would embrace industries association started devising a common standard for home networks. The first congress on home automation was held in Dallas two years ago. The following year it was the turn of the Japanese to congenise an international consistency.



(Association Pour les Maisons mers will want to enhance the mature markets like micro-du Futur).

France is seeking to take efficiency of their homes by tronics. Between 1981-86, the lead in what it considers a merging the various applimajor new technology market ances and equipment into an of around FFr500m in integrated network. Such a research in this field, according to the stakes are high," says de Latour, "and they go well beyond France."

A study prepared for the also if preparety from the been increasingly active. Four

mation," explains brune de Latour, president of the French association for the home of the future APMF increasing numbers of consuproblems of increasingly mers will want to enhance the mature markets like microenters will want to enhance the mature markets like microenters and consumer entered to the constant of the presidence and consumer entered to the constant of the presidence and consumer entered to the constant of the presidence and consumer entered to the constant of the president of the Japan invested the equivalent

A study prepared for the also, if necessary, from the paris domotique conference by Mackintosh Consultants shows that the intelligent the concept would embrace home market in the US. existing facilities of a house.

AUTOMATED SCREENING of hundreds of novel ceramic materials for evidence of high-temperature superconduction is to be undertaken by the UK's Atomic Research Centre at Harwell, as part of the work of a new British industrial research club. The club's research pro-

opment of domotique in Europe is the definition of a gramme will also systematicommon European standard.

This is now being undertaken by a group of sevem European electronics companies including Thorn EMI, GEC and Mullard of the UK, Electrolux of Sweden Philips of the North

Products, BICC, Dowty, Ford of Britain, Johnson Matthey many and Thomson of France.
These companies have joined forces in a two-year Eureka project called Integrated Home Systems (IHS) to produce a common standard for the project called Integrated Home Systems (IHS) to produce a common standard for the project in Europe with the Confert Integrative with the Confert Integration and Oxford Instruments — plan to become founding members of Harwell's high-temperature superconducting the confert integration with two Oxford University

departments, through research contracts.
The club envisages spending the IHS project started work on the European home network standard in 1986 and over \$2m on a three-year proare planning the first demon-strations of their research at gramme of research and test-ing, aimed at making commerthe end of this year. The Eureka home network scheme cially useful materials and magnets. Most of the research will be done by the Harwell laboratories of the UK Atomic Energy Authority, which will will also be relayed by EC technology projects including Esprit 2 and the RACE telemanage the programme. But the research laboratories of

In France, promoters of intelligent home technology are further promoting collaboration by building in the Paris suburbs of Saint-Remyles-Chevreuse an experimental centre for the home of the director of BICC, which wants to be a consultant to the consultant of the consultant to the also carry out tests.

Chairman of the club's rial previously tested.

Steering committee is to be Michael Tubbs, research temperature superconductor of BICC, which wants to become a supplier of ceramic tape, wire and cable for superconducting technol-

ogy.
The UK Department of ence attracted about 600 par- Trade and Industry is expected to fund 50 per cent of the and building industries, including more than 150 from other European countries. This success has already led the conference organisers to decide to hold a second European conference on intelligent to a success the success has already led the conference or intelligent to a success the second European conference on intelligent to a success the second European conference on intelligent to a success the second European conference on intelligent to a success the second European conference on intelligent to a success the second European conference on intelligent to a success the second European conference or intelligent to a second Eu decide to hold a second European conference on intelligent partners. The DTI says it will homes next January in Paris. tion pound for pound.

ence will focus not only on intelligent homes but also on the future market for large intelligent buildings. This reflects the recent interest internal competition. "It com-

ind the UK could total about 57bn in 1990 and grow to 512bn by 1995. "During the last decade of this century, the security system and its extensions. And it would also cover new external services prototal FF725bn in France and FF725bn in France and total FF725bn in France and cable television, as well as interactive services like and cable television, as well as interactive services like something, said de Latour at the opening of the Paris construction and civil engineating to method with each other to exploit this potentially significant new market. During the last few months, and it would also cover new external services provided by broadcast, satellite and cable television, as well as interactive services like something, said de Latour at the opening of the Paris construction and civil engineations. The French promoters of movement in Europe seeking stategic alliance in the intelligent building sector with IBM France, and Bull, the French state computer group, at a much higher than the first state of the construction and civil engineations. The french promoters of the Japanese to organise an international compress on the subject in Osaka.

It was time Europe did as interactive services like something, said de Latour as time the opening of the Paris construction and civil engineations network.

The French promoters of the Japanese to organise an international compress on the subject in Osaka.

It was time Europe did as time to exploit this potentially significant new market. During the last few months, supplied over the telecommunic that turn of the Japanese to organise an international compress on the subject in Osaka.

It was time Europe did as interactive services like the opening of the Paris construction and civil engine the late of the lation of of the communications, home appliances, data processing and other technological services industries expect the market to start taking off in 1990.

The French promoters of movement in Europe seeking to movement in Europe seeking to movement in Europe seeking strategic alliance in the intelligent building sector with ligher to mobilise companies and light building sector with light france, and Bull, the insulators. But this ceramics are normally strategic alliance in the intelligent building sector with light france, and Bull, the insulators. But this ceramics are normally strategic alliance in the intelligent building sector with light france, and Bull, the insulators. But this ceramics are normally strategic alliance in the intelligent building sector with light france, and Bull, the insulators. But this ceramics are normally strategic alliance in the intelligent building sector with light france, and Bull, the insulators. But this ceramics are normally strategic alliance in the intelligent building sector with light france, and Bull, the insulators. But this ceramics are normally strategic alliance in the intelligent building sector with light france, and Bull, the insulators. But this ceramics are normally strategic alliance in the intelligent building sector with light france, and Bull, the insulators. But this ceramics are normally strategic alliance in the intelligent building sector with light france, and Bull, the insulators. But this ceramics are normally strategic alliance in the intelligent building sector with light france, and Bull, the insulators. But this ceramics are normally strategic alliance in the intelligent building sector with light france, and Bull, the insulators. But this ceramics are normally strategic alliance in the intelligent building sector with light france, and Bull, the insulators. But this ceramics are normally strategic alliance in the intelligent building sector with light france, and supplies the supplies of the intelligent building sector with light france, and supplies t

Harwell explores

routes - films, bulk, whe appropriate to the interests of the industrial partners, and using the most promising superconducting ceramic so far. super ceramics

BY DAVID FISHLOCK, SCIENCE EDITOR



David Livey (left), who runs Harwell's materials engineering centre, and Ron Bullough, head of the materials acience division, have mixed what they call a cocktell of scientific disciplines

at liquid nitrogen temperature (90 degrees K) or higher. The ultimate target of the hightemperature superconductor is to need no refrigeration at

The type of material investigated by IBM has serious technological shortcomings. But it affords hope that other novel formulations and crystal structures might overcome them. In particular, practical materials need to have much higher current-carrying capacity and be insensitive to magnetic fields. They also need to be less fragile to be useful in electro-technology.

Harwell's materials science division has an inventory of over 500 novel ceramics previously untested for super-conduction. They were developed for other applications such as gas sensors, the subject of another British research club for the past five years.

Harwell also has a

sion. This was speculative spending which helped shape the programme submitted to the DTI for funds finally miles north of Harwell, the

who runs Harwell's materials engineering centre, have to pinpoint microscopic super-mixed what they call a cock-conducting regions in the tail of scientific disciplines, ceramics, and measure electrirecruiting a dozen scientists cal properties at grain bound-from different Harwell labo-ratories to work half-time on The Clarendon Laboratory

tic systems for shaping com- available to the club. thick films of ceramics.

fragile by fibre reinforcement. The main thrusts of in a partner's laboratory will ment. It has a contract their programme will be: be the property of that partnersearch programme to Establish fabrication ner.

routes - films, bulk, wire -

 Optimise chosen routes for components specified by

the partners.

Testing of materials and components, as developed.

Applications development by the partners, using parts provided by Harwell.

• Theoretical studies by Harwell, to provide a base for identifying better materials. • Experimental screening of known ceramics such as ferrates, niobates and stannates. · Monitoring and assessment of research progress

worldwide.

The biggest single effort in this programme will be the screening of over 300 "electrical ceramics" already for-mulated at Harwell for superconduction. The technique has already been used successfully to identify the best ceramics for gas sensors.

The plan is to make cylin-

drical samples which can be fed into an automatic instru-ment that will measure electrical conductivity between room temperature and that of liquid helium. Harwell will also measure the Meissner (levitation) effect, characteristic of a superconducto

toughen ceramics for use in engines. Samples will also be irradi-"The superconductivity club ated in a Harwell reactor, to will be off to a fast start explore the recent Japanese because my commercial director authorised £70,000 of bardment can enhance superpre-project funding," says conducting characteristics.
Ron Bullough, head of Harwell's materials science diviby researchers with Osaka University, using a reactor in

approved this week. department of metallurgy and Bullough and David Livey, science of materials plans to use its new nanoprobe facility

the programme.

They can also muster a ment – will prepare samples remarkable armoury of for the nanoprobe, as well as ceramic fabrication technology, mostly needed for nuclear fuel. It includes robonic fields up to 23.5 Tesla,

plex precision parts by plasma-spraying ceramic powders; and laser, electronbeam and sputtering techniques for preparing thin and thick films of caramics available to the club.

Ownership of intellectual property from this research is defined by an agreement between the UKAEA and club partners. Discoveries and thick films of caramics inventions made at Harwell long-standing research effort
on engineering ceramics,
aimed at minimising the
mechanical disadvantages, for
example by making them less
fragile by fibre reinforce.

The idea, says Bullough, is will be owned by the UKAEA
to progress from initial but partners will be entitled
emphasis on materials science to an "irrevocable royaltyand technology to component free non-assignable licence".

Discoveries arising from work
fragile by fibre reinforce.

This announcement appears as a matter of record only



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To the Holders of

United Mexican States

10% External Bonds due February 15, 1990

NOTICE IS HEREBY GIVEN that, pursuant to the Bond Service Agreement dated as of February 15, 1975 made between United Mexican States and Chemical Bank New York Trust Company, as Authenticating Agent, Manufacturers Hanover Trust Company, as Registrar, The Chase Manhattan Bank, N.A., as Fiscal Agent, \$2,014,000 principal amount of the above described Bonds are hereby called for redemption on February 15, 1988 through the operation of the Sinking Fund at the principal amount thereof and accrued interest to the redemption date. The Bonds to be redeemed which have been drawn by lot by Manufacturers Hanover Trust Company, Registrar, are as follows:

Coupon Bonds bearing the distinctive number in the following last two digits: 03 09 15 19 25 36 41 47 51 57 61 63 68 75 78 62 87 90 94 97 99

except Coupon Bonds in the denomination of \$1,000 whose serial numbers are M43647 or higher.

Fully Registered Bonds or portions thereof bearing the following numbers with the Prefix Letters as indicated:

Mumbers	Amount	Humbers	Amount	Number	Amount	Nie	bers.	Arrount
FINE 10340	\$ 1,000	AU 5792		RU 502		RU	6069	\$ 8,000
FIME 10341	1,000	RU 5794		RU 566		RU	6072	
PME 10854	1,000	RU 5795	. 4,000	RU 593	0 25,000	RU	6086	1,000
PBAGE 10655	1,000	RU 5796.,	. 1,000	AU 593	n 25,000	Aυ	8081	1,000
FIME 10857	1,906	RLJ 5803	. 2,000	RU 593	2 25.000	RU	<i>8</i> 000	63,000
RME 10658	1,000	RU 5804	. 3,000	RU 583	3 25,000	AU	6116	
PIME 10662	1,000	RU 5806	. 1,000	RU 583	4 25,000	RŲ	6120	60,000
RME 10863	1,000	PU 5810	. 1,000	RU 593	5 25,000	RU	6121	2,000
FIME 10866	1,000	PRJ 5823	. 5,000	RU 581	6 25,000	RU	6122	10,000
PAME 10666	1,000	RU 5825	. 3.000	FU 593	7 25,000	RU	6123	10,000
RME 10889	1,000	RU 5828	. 1,000	RU 583	9 25,000 9 25,000	RU	6129	1,000
RME 10670	1,000	RU 5829	. 1,000	RU 583	9 25,000	AU	6129	2,008
PAME 10671	1,000	RU 5835	. 1,000	PU 594	0 25,000	RU	6134	25,000
RME 11082	1,300	RU 5639 .	. 2,000	AU 594	1 25,000	RVE	5009	1,000
RME 11470	1,000	RU 5843	_ 1.000	RU 594	2 25,000	RVE	5188	1,000
RU 5092	1,000	RU 5845		RU 594	3 25,000	RVE	5270	
RU 5550	9,000	RU 5852	. 3,000	RU 596	1 5,000	RVE	5271	2,000
RU 5575	3,000 21,000	RU 5856 RU 5859	. 1,000	RU 506	5 2,000 1 8,000	RVE	5289	5.000
RU 5725		RU 5888	. 1,000 . 2,000	RU 597 RU 587	1 6,000 3 6,000	RVE RVE	5349 5372	1,000 2,000
RU 5730 RU 5731	2,000 1,000	RU 5867	. 2,000	RU 597	5 3,000	RVE	5422	3,000
RU 5732	3,000	RU 5874.,	. 1,000	RU 396	4 25,000	RVE	5509	5.000
RU 5733	1,000	RU 5875	. 1,000	RU 598	5 6.000	RVE	5559	5,000
RU 5734	1,000	RU 5875	1,000	AU 586	D 3.000	RVE	5584	1,000
RU 5735	1,000	RU 5877	2000	RU 596	5 2,000	RVE	5566	2,000
RU 5736	2,000	RU 5885	3.000		7 2.000	RVE	5568	5.000
RU 5737	1,000	RU 5912	. 25,000		7 10,000	RXE	5311	10,000
RU 5743	1.000		. 25,000	AU 600	8 2000	RXE	5314	
RU 5746	1.000	RU 5914	. 25,000		1 1.000	AXE	5324	10,000
RU 5749	1,000	RU 5915	. 25,000	RU 602	S 2000	RXE	5382	10,000
RU 5750	1,000	RU 5918	. 25,000	FIU 604	1 2,000	RXE	5389	10.000
RU 5752	1.000	RU 5917	. 25,000		2 50,000	AXE.	5434	4 000
RU 5753	1,000		. 25,000		3 1,000	RXE	5474	5.000
RU 5754	1,000		. 25,000	PIU 604	4 2,000	PIXE	5489	7,000
RU 5755	1,000	RU 5820	. 25,000	AU 604	8 14,000	RXE	5500	10,000
AU 5761	1,000	AU 5921	. 25,000	RU 605	2 5,000	ROKE	5515	10,000
RU 5763	1,000	RU 5922.,	. 25,000		3 5,000	RXE	5516	10,000
AU 5785	1,000 1,000	RU 5923	. 25,000		6 5,000	RXE	5517	8,000
RU 5768	1,000	RU 5824.,	. 25,000		7 3,000	RXE	5475	10,000
RU 5761	1,000	AU 5825	. 25,000	RU 606	1,000			
RU 5782	1,000 2,000	AU 5926 和J 5927	. 25,000		2 4,000 5 7,000			
RLI 5784	2.000	NU 3821	. 25,000		J 7.000			

Interest on the Bonds or portions thereof to be so redeemed will cease to accrue on February

Interest on the Bonds or portions thereof to be so redeemed should be surrendered for 1981. 1988.

All of the aforesaid Bonds or portions thereof to be so redeemed should be surrendered for payment at the offices of the Fiscal Agent, The Chase Manhattan Bank, N.A., Corporate Bond Redemptions, P.O. Box 2020, 14th Floor, One New York Plaza, New York, New York, New York 19015, or at the principal offices of the Fiscal Agent in London, England, Paris, France, Milan, Italy, Frankfurt, Germany, Zurich, Switzerland, and Beirut, Lebanon accompanied in the case of coupon bonds by the August 15, 1988 and subsequent coupons attached. The February 15, 1988 coupons should be detached and presented for payment in the usual manner. Upon surrender of a fully registered Bond a portion of which is to be redeemed a new Bond or Bonds in the aggregate principal amount of the unredeemed portion shall be issued in the name of the holder of such surrendered Bond.

Bondholders, both registered and coupon, when presenting Bonds to the New York

Office of the Paying Agent, should furnish the Paying Agent with their tax identification numbers. This will avoid withholding of funds required by legislation.

Dated: January 15, 1988

By: MANUFACTURERS HANOVER TRUST COMPANY, Registrar

NEW YORK

NEW YORK

Cleveland Orchestra, Christoph von Dohnanyi conducting, Shlemo Mintz violin, Neikrug, Mahler (Tue). Carnegie Hail, (247 7800). Eric Grossman violin recital. (IBM Gallery), Jufiliard Concert programme includes Besthoven (Wed, 12.30). Free, 56th & Madison. Bagene Bondi cello recital with Robert Schwartz plano. Bach, Debussy. Robert Hall Lewis (world premiers), Brahum (Mon); Hakan Rosengren clarinet recital with Robert Schwartz plano. Poulenc, Chausson, Debussy, Schwamm (Tue); Neil Butman plano recital with Tony Randell narrator. Faure, Lisat, Poulenc, Ravel (Thur). Merkin Hall (Goodman House), 57th w of Brosciway. (362 8719).

Schubert's 190th birthday. A 10-year programme of the complete

Schabert's 190th birthday. A 10year programme of the complete
works of the composer begins or
Tresday, culminating at his bicentennial. Over 60 chamber works,
nine symphonies and operas,
songs, masses both known and
unknown will be performed (The,
Wed). Kaufmam Hall. 1395-Lexington Av. (831 8603).
New York Philharmonic (Avery
Fisher Hall). Erich Leinsdorf conducting, Kathleen Battle soprano,
John Aler tenor, Benjamin Lincon
baritone, New York Choral Artists
directed by Joseph Flummerfelt.
Haydn (Mon, Tue), Ghuseppe Sinopoli conducting, Philip Myers
horn. Scriabin, Mozart (Thur). Lincoln Center (874 2424).

WASHINGTON



Theatre

LONDON

The Rover (Mermaid Theatre). Jer-emy Irons roisters into town in the RSC's Swan production by John Barton of Aphra Behn's roi-licking comedy. It plays in reper-toire with the Chernobyl nuclear reactor disaster play, Sarcopha-gus. It is an urgent but clumstly crafted hospital drama which is set in a terminal radiation clinic as the first victims of the disaster are wheeled in. (236 5668/638

are wheeled in. (236 5568/638 8891).

A Man For All Seasons (Savoy Theatre). Charlton Heston begs no favourable comparison with Paul Scofield as Sir Thomas More in a leaden production of a play best left to amateurs and schookhildren. (836 8888).

Antony and Cleopatra (Olivier Theatre). Peter Hall's best production for the National Theatre he

tion for the National Theatre he will leaves later this year brings this great but notoriously difficult play to thrilling life. Judi Dench and Anthony Hopkins are battle-scarred lovers on the brink of old

Anthony Howard dievers on the Malesty's Theatre). Spectacular emotionally nourishing new musical by Andrew Lloyd Webber emphasising the romance in Leroux's 1911 novel. It all happens in a wonderful Paris Opera ambience designed by Maria Bjornson. Dave Willetts has taken over from Michael Crawford as the Phantom. (839 2244, CC379 6131/240 7200). Wollies (Shaftesbury Theatre). Stm
"Ing revival, directed by Mike "and designed by Maria 1976 won the strength of its work-of-mouth popularity for the two oldsters on Central Park benches who bicker uproariously about life past, its present and its future. Helped along with a funny plot to match. (239 6200).

Les Miserables (Broadway Theatre). Led by Coim Wilkinso eating his West Corp. Les Miserables (Broadway Theatre). Led by Coim Wilkinso eating his West or role in the magnification of the cinema film manages. Capture the feel of the swelliarious original between high licking and gaudy chorus numbers. (767 2626).

L'm Not Emphasization of the cinema film manages capture the feel of the swelliarious original between high licking and gaudy chorus numbers. (767 2626).

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L'm Not Emphasization of the cinema film manages capture the feel of the swelliarious original between high licking and gaudy chorus numbers. (musical in which poisoned mar-riages nearly undermine an old burlesque reunion in a doomed theatre. There are four new songs and an improved book by James Goldman. The cast is led by Dolores Gray, Julia McKenzie, Diana Rigg, Daniel Massey. All of whom are good. (379 5399).

Serious Money (Wyndham's Theatre). Transfer from Royal Court of Caryl Churchill's slick City comedy for champagne-swilling yuppies: how the Big Bang led to class tumult and barrow-boy dealings on the Stock Exchange. Hot and livid, but the new cast is deemed less good. (836 3028, CC 379 6585).

A Small Family Business (Olivier Theatre, South Bank Complex). Brilliant new Alan Ayckbourn play about Britain on the fiddle in greedy times, selling out to for-

greedy times, selling out to for-eigners and keeping it simulta-neously in the family. A comedy thriller on the large scale. (928

NEW YORK

PERCES (46th Street). August Wilson hit a home-run, it won this year's Pulitzer Prize, with James Earle Jones taking the powerful lead role of an old baseball player raising a family in an industrial city in the 1950s, trying to improve their lot but dogged by his own failings. (221-1211).

Cats (Winter Garden). Still a sellout, Trevor Nunn's production of T.S. Eliot's children's poetry set to

Trevor Nunn's production of T.S. Eliot's children's poetry set to trendy music is visually startling and choreographically feline. It is classic only in the sense of a rather staid and over-blown idea of theatricality. (239 6262).

42nd Street (Majestic Theatre). An immodest celebration of the heyday of Broadway in the 1930s incorporates gems from the original film, like Shuffle Off To Buffalo, with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

A Chorus Line (Shubert Theatre). The longest running musical ever

Tus line. (877 9020).

A Chorus Line (Shubert Theatre). The longest running musical ever in America has not only supported in America has not only supported Joseph Papp's Public Theater for eight years but also updated the genre of the musical with its backstage story in which the songs are a device which become auditions rather than emotions. (239 6200).

La Cage aux Folles (Palace Theatre). With some tuneful Jerry Herman songs, Harvey Fierstein's adaptation of the original French cinema film manages barely to capture the feel of the sweet and hilarious original between high-kicking and gaudy chorus numbers. (757 2626).

I'm Not Rappaport (Booth The-

es Miserables (Broadway The-atre). Led by Colm Wilkinson repeating his West End role as Jean Valjean, the magnificent spectacle of Victor Hugo's majes-tic sweep of history and pathos

brings to Broadway lessons in pageantry and drama, if not strict adherence to its original nineteenth century literary source. (239 6200).

Starlight Express (Gershwin Theatre). Those who saw the original at the Victoria in London will barely recognise its American incarnation. The skaters do not have to go round the whole theatre but do get good exercise in the spruced-up stage with new bridges and American scenery to distract from the hackneyed popmusic and trumped-up silly plot (586 6510).

Me and My Girl (Marquis Theatre). Even if the plot turns on ironic for paintings and

Me and My Girl (Marquis Theatre). Even if the plot turns on ironic mimicry of Pygmalion, this is no classic. The songs are forgettable and there is a dated leadenness in a stage full of characters. On the other hand it has proved to be a durable Broadway hit with its marvellous lead role for an agile, engaging and deft actor preferably British. (947 0033).

WASHINGTON

Earleo IV (Arena). Pirandello's mys-tery of the man who imagined himself as Emperor Henry IV of Germany is staged by Zelda Fichandler. (488 3300). Ends Feb

CHICAGO

Passion Play (Goodman). Peter Nichol's clever twinning of the major characters as they conduct a duplicitous affair adds a sharp edge to the view of contemporary life in London. (443 3800). Ends

TOKYO

35 Steps (Aoyama Theatre). Song and dance with the Shiki Theatre Company which specialises in musicals and which is celebrating its 35th anniversary this year. The evening features 35 extracts one for each year, from past, pres-ent and future Shiki productions. They include excerpts from West Side Story to Phanton Of The Opers. (0120-489444). Ends Feb

21.

Kabuki (Kabuki-Za). Tokyo's main
Kabuki theatre is celebrating its
centenary with a year-long festival featuring perennial favourites
and new works. The morning programme this month includes Kangramme this month includes Kan-chinjo, where the plot revolves around a wily servant who out-wits his master's pursuers. The wits his master's pursuers. The aftermoon programme has another popular piece, Sukeroku. Both plays are the property of the ichicawa family whose kabuki lineage dates back 250 years and features the current head of the family, Danjuro XI. There is excellent currents are commentary in English.

Tate Gallery. Turner in the new Clore Gallery. The Turner Bequest, which amounts to nearly 300 oil paintings, finished and unfinished, and a further 19,000 or so watercolours and drawings, has been a source of controversy and dissension ever since it came into the nation's hands more than 130 years ago. The vulgar neodeco of the entrance hall has little to recommend it. But eight rooms for paintings and one for water-colours give room enough, and with the three reserve galleries upstairs, every painting but the few in restoration or on loan is on the wall.

PARIS

Zurbaran. From New York, an exhibition of 72 paintings retraces the artistic development of one of the great masters of the Spanish Golden Age. Reversing the perspective, using geometrical compo-sition settings and shedding everything superfluous, the mysti-cal painter of the counter-refor-Ends April 11. alerie Odermatt-Cazeau. Maximi-

Salerie Odermatt-Cazeau. Maximilien Luce. Luminous and wellstructured, he adds realistic images from a working class universe to many of the impressionist's themes of the Seine, the Thames and Saint-Tropez. 85 bis, Rue du Faubourg, Saint Honoré (4266 9258). Ends Jan 30. fusée des Arts Decoratifs. More than a thousand wooden toys from as far afield as Greenland, Mexico and Russia carved by 18th from as far afield as Greenland, Mexico and Russia carved by 18th century woodcutters or modern designers recreate the eachanted childhood world of villages and dolls, horses and trains. 107 Rue de Rivoli (42603214). Ends Feb 14.

Grand Palais. Treasures of the Celtic Princes. Prestigious archeological finds from what is, nowadays, France, Germany and Austria, bear witness to a luxury-loving civilisation which flowthead in the Celtic projects. flourished in the Ceitic universe. (42560924). Ends Feb 15.

WEST GERMANY

Munich, Villa Stuck. Pablo Picasso exhibition (on loan from the Hanover Sprengel Museum) displays around 300 paintings, drawings, graphic art prints from the artist's complete artistic range, spanning cubism, classicism, and surrealism, as well as Picasso's later

Feb 28.
Stattgart, Galerie der Stadt, Max
Ackermann (1887-1975). The
100th anniversary of his birth
commemorated by a comprehensive retrospective with 80 pictures from the main periods of his
working life. Schlossplatz 2. Ends
Feb 21.

ITALY

Rome, Palazzo dei Conservatori Campidoglia. Hidden Treasure: The Imperial Silver Collection From Kaiserangst. An extraordinarily fine collection of silver tableware dating from 350 AD, hastily buried by two roman generals, Marcelliano and Romulo, when the Castrum Rauracense (the site of the modern village of Kaiserangst) on the northern perimeter of the troubled Roman Empire was threatered with barbarian invasion. 254 pieces — weighing 37 kilograms of 97 per cent pure silver, reckoned to correspond in value to one year's pay for 140 roman soldiers. There are delicately-curved, long-handled spooms, some silver beakers (glass was already more fashionable), serving dishes — one splendid octagonal, and another rectangular, decorated with a charmingly improbable fish Ends Feb 14.

Borne, Palazzo Braschi. Antonio Recalezti: nainting 1960-1987. A Rome, Palazzo Braschi. Antonio Recalcati: paintings 1960-1987. A dramatic group of oils by an artist who burst on the Italian scene in the 1960s with a violently political series of abstract wastelands hosylly of series and with the nucleus. cal series of abstract wastelands heavily stamped with the nuclear disarmament symbol. His soul-searching continues with a group with a strong Francis Bacon influence, another of meticulously painted rooms containing only guillotines, and ending with his most recent series of beguiling serenity, entitled After Storm, of coloured skies reflected on wet New York pavements (Recalcati has lived in New York for many years). Ends Jan 31.

WASHINGTON

Intional Gallery. A centenary retrospective of Georgia O'Keeffe includes 115 oil paintings and drawings, among them rarely seen examples from her familiar New Mexico landscapes, exotic flowers and still lifes. Ends Feb 21.

CHICAGO

Art Institute. More than 80 draw ings of early 19th-century archi-tect. Friedrich Weinbrenner show his influence in rebuilding Karls-ruhe and Baden Baden as well as doing numerous commissions German royalty. Ends Feb 28.

Music

LONDON

Stephane Grappelli at his 80th birthday concert. With a guest appearance by Sir Yehudi Menu-hia. Barbican Hall (Tue). (638 8891).
Indellion String Quartet with Susan Tomes, plano and Chi-chi Nwanoku, double bass play Mozart, Frank Bridge and Schubert. Wigmore Hall. (935 2141).

PÁRIS

Braemble Intercontemporaln conducted by Pater Ectvos, Sharon Cooper, Contraine Nunes, Donatoni (Mon). Théatre du Bond-Point. (42 56 70 80).

Maria Ewing recital, Geoffrey Parsons, plano (Mon). Théatre de l'Athenée. (47 42 67 27).

Paul Badura-Skoda at the piano plays Schumaan, Schubert, Haydn, Beethoven (Tue). Salle Gaveau. (45 63 20 30).

Orchestre National de France conducted by Yuri Teurikanov, Ivan The Terrible (Tue). Salle Pleyel. (45 61 06 30).

Charles Koechlin, his friends and groupe Vocal de France: Faure, Koechlin, Poulenc, Sauguet (Mon). Comédie des Champs Elysées. (47 23 36 27).

Mayde, Philharmonie Orchestra 23 36 27). Hunich Philliarmonic Orchestra conducted by Sergiu Celibidache: Bruckner (Wed). Salle Pleyel. (46

61 06 30). Munich Philharmonic Orchestra Munich Philharmonic Orchestra conducted by Sergiu Celibidzche: Debussy, Wagner (Thur). Salle Pleyel. (45 61 05 30). Michal Dalberto, piano recital (Wed). Théâtre des Champs Elysées. (47 23 35 27). Ceclie Oasset, piano: Chopia, Debussy, Saint-Saens (Thur). Théâtre des Champs Elysées. (47 23 36 27).

Milan, Testro alla Scala, Gary Ber-

Opera and Ballet

PARIS

Paris Opéra. Orphée aux Enfers is conducted by Lothar Zagrosek with Michel Senechal, tenor, dominating Jean-Louis Martinoty's production of Offenbach's joyous parody of Ghick. (47425750). Carte Blanche (Opéra Comique). A ballet performance leaving a free hand and a star role to the opera's painters and aculators.

hand and a star role to the opera's painters and sculptors. (42960611).

Jean-Claude Galliotta (Théatre de la Ville) with the group Emile Dubois Dance Cocteur Lambus with Mexican undertones at the (42742277).

Magny Marin (Maison de la Culture). With the Lyons Opera Ballet an interpretation of Kurt Weill's and Bertold Brecht's The Seven Deadly Sins. Creteil. (42744422). Deadly Sins. Creteil. (42744422).
Georges Appaix (Théatre de la Bastille). Appaix choreographs his Creation around musicians, dancers and old cinema seats. (42744422).

NEW YORK

Metropolitan Opera (Opera House). Nello Santi conducts Luisa Miller in Nathaniel Merrill's production with Silvia Mosca, Wolfgang Bren-del and Paul Plishka. James Levdel and Paul Plishka. James Levine conducts Fabrizio Melano's production of Pelleas et Melisande with Frederica von Stade, Anthony Bolfe Johnson-and-John Macurdy. Sir Peter Hall's production of Macheth conducted by Gussppe Sinopoli features Eva Marton, Renazo Bruson and Samuel Description. Ramey. Lincoln Center. (362

WASHINGTON

Vashington Opera (Eisenhower).
The Consul. Gian Carlo Menotti's 1950 Pulitzer-prize winning opera protesting against police states is directed by the composer. It performs in repertory with Gilbert and Sullivan's Ruddigore. Ken-

nedy Center. (254-3670). HMS Pinafere (Opera House). Briss Modosald's production stars Ron Moody and Meg Bussest. Kennedy Center. Ends Feb 6. (254-3770)

Boyal Opera (Covent Garden). Bernard Haitink's first Wagner venture since he took on the musical directorable of Royal Opera is a production of Paraifal. The staging is by Bill Bryden in the designs of Hayden Griffin. The young German tenor Peter Seiffert (in his London debut) takes the title role and the cast also

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Nijmegen, Vereeniging. Plane recital by Natalia Trul (Tue). Lieuwe Visse, bass-baritone, accompanied by Reinbert de Leeuw: Wagner, Busoni, Wolf, Haner (Thur). (22 11 00).

tini conducting Webern and Mahler (Mon). (80 91 28).

Florence, Teatro Commale. Yuri Ahronovitch conducting ceilist Lyan Harrell, playing Frazzi, Schumann and Dwerzk. (Wed and Thur). (27 79 236).

Bosse, Anditorium via della Conciliazione. Lukas Foss conducting Carter and Prokoflev with pianist Alessandro de Luca. (Mon and Tue). (85 41 044).

Bosse, Teatro Olimpico (Pizzza Gentile da Fabriano). Young Italian Soloists. Haydn; Paganini, Beethoven and Hummel (Wed). (39 33 04).

Bosse, Oratorio del Gonfalone (Via del Genfalone 22 A). Figurist Cario

04).

Osse, Oratorio del Gonfalone (Via del Gonfalone 32A). Flautist Carlo Tamponi with the Gonfalone Chamber Orchestra: Galuppi, Boccherini, Bach and Haydn (Thur).

(68 75 252).

NETHERLANDS materdam, Concertgebouw. Piano recital by Vladimir Ashkenary: Schumann, Chopin (Wed). Recital Hall: Schubert piano duets by Angels Schouten and Henk Ekkel (tue). The Raoul Dufy Quartet and soloists play Brahms (Thur). (71

The Rotterdam, Doelen. Recital Hail. The Rotterdam Sinfonietts conducted by Kees Hulsmann: Van Wassenaer, Haydin, Francalz, Copland (Mon). Beethoven pianorecital by Piet Veenstra (Tue). (41 32 490). The Hague, Philipszaal. Hans Vonk conducting the Hague Philiparmonic. with Joanna Madroskiewicz, violin, and the Hague Bach Choir. Haydin, Karlowicz, Verdi (Thur). (60 98 16). Utrecht, Vredenburg, Recital Hall. Utrecht Conservatory Ensemble: De Falla, Montsalvatge, Marco (Tue). Various soloists: Rossini soiree (Wed). Flamento recital by Naranjito de Triana, vocalist, and Marolo Franco, guitar (Thur). (31 45 44).

roningen, Oosterpoort. The Pepin Wind Ensemble plays Mozart (Tue). (18 10 44).

National Symphony (Concert Rail).

Each, Shostakovich (Tue); Mstislev Restropovich conducting Beethoven, Parris, Sibelius (Thur).

Kennedy Center (254 3776). Hamburg, Staatsoper, Ariadne and Naxos features Hildegard Hartwig, Hellen Kwon, Judith Beckmann and Dieter Weller. Manon Lescaut stars Mara Zempieri. Die Entfuhrung aus dem Serail will be conducted by Klaupeter Selbel. Don Pasquale has a strong cast with Hellen Kwon, Paolo Montarsolo and Urban Malmberg. Cast and Pag in Gian Carlo del Monaco's production will have its praniere this week. The cast is led by Julia Varady, Hildegard Hartwig, Natalia. Troitskaya, Wladimir Atlantow and Piero Cappuccilli. (35 11 51).

LONDON

Atlantow and Piero Cappuccilli. (35 11 51).

Cologne, Opera. Alban Berg's Wozzeck: is steered to triumph by Brent Ellis in the title role, beside Nadine Secunde and Walter Raffeiner. (20 761).

Frankfart, Opera. Louis Quilico repeats his much-praised performance in the title role in Verdi's Falstaff. This week's highlight is Der Fliegende Holländer with Simon Estes, Kurt Moll and Lasna De Vol. La Bohème, conducted by Michael Boder has Marianne Christos, Jonathan Welch and Barry Mora in the main parts. William Forsythe's ballet impressing the Zar rounds off the week. (25 621).

young German tenor Peter Seiffert (in his London debut) takes the title role, and the cast also includes Robert Lloyd, Waltrand Meter, Simon Estes, and Willard White. (240 1086).

Saglish National Opera (Cotiseum). The triumphant new production by David Pountney of Hansel and Gretel is a magical combination of of operatic rethinking and real theatrical fantasy. Mark Elder conducts, superbly. Cathryn Pope and Ethan Robinson take the title roles, and Felicity Palmer doubles as Mother and witch (on January 27 Pauline Tinsley, far too long absent from London opera, returns to the ENO in these roles). Also in repertury are Richard Strauss' Der Rosenkavaller, attractively conducted by Christian Badea, with Valerie Masterson a light but marvellously elegant. Marschallin; and the latest revival of Graham Vick's deeply unsatisfactory interpretation of Proccin's Madam Butterfly with Janice Cairns and Edmand Barham in the roles of Clo-San and Pinkerton. (886

Cio-Cio-San and Pinkerton. (836 3161). **WEST GERMANY**

Serlin, Deutsche Oper. Die Hugenot-ten has fine interpretations by Angela Denning, Pilar Lorengar and Viktor von Halem. La Gio-conda, sung in Italian, features Maria Sistinsru, Kaja Borris and Bengt Rundgren. Don Carlos has Sharon Sweet, Ute Walther, Martti, Talvela and Andreas Schmidt. (34 381).

(58 93 29). Trieste, Teatro Comunale Giuseppe Verdi. Gounod's Faust, sung in the original French, conducted by Spiros Argiris and directed by Franco Cavana, with Maria Spacagna, Richard Burke and Francesco Ellero d'Artegna. (63 19 48). Palermo, Teatro Massimo. Carla Fracci dancing the title role in Prokofiev's Cinderella, (choreography by Loris Gail, directed by Beppe Menegatti and conducted by Luciano Eosada. (58 43 34).

NETHERLANDS

Amsterdam, Muziektheater. The Nina Wiener Dance Company with Enclosed Times (Mon). Nederlands Danstheater with a new ballet by Nacho Dusto, The Unsung by Jose Limon, and Nomads (Kytlar/Stravinsky) (Tue, Thur). The Netherlands Opera production of Don Giovanni directed by Alfred Kirchner. Nikolaus Harnoncourt conducting the Concertgebouw Orchestra, with Glenn Wilson, continno. William Schimell in the title role, with Patricia Schuman, Edith Wiens and Hans Peter Blochwitz (Wed). (25 54 55).

Nijmegen, Schouwburg. Opera Forum with two Puccini one-actera: Suor Angelica and Gianni Schicchi (Wed). (22 11 00). **NETHERLANDS**

Genova, Teatro Margherita. The Genoa Opera opens its season with Massenet's Manon, sung in French, conducted by Daniel Oven and directed by Alberto Passini, with scenery and costumes by Pasquale Grossi. Flamma izzo d'Amico aings the title role, with Kurt Rydl (Conte des Grieux), Pietro Ballo (Chevaller des Grieux), and John Patrick Raftery as Lecout

John Patrick Raftery as Lescaut.

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James Caan, Anjelica Huston and James Earl Jones in "Gardens of Stone," and Shashi Kapoor in "Sammy and Rosie get Laid"

Cinema/Nigel Andrews

It's the method that damns, not the matter Sammy And Rosie Get Laid der American andiences have film's right-on radicalism is in Gardens Of Stone, set in a going to pack in every cause it Washington DC military base in directed by Stephen Frears awe). We When and Miss Rarber are, we will be the best film, adapted from a novel by the best can think of:

Comment of the state of the sta

The State of the S

The Professor's peculiar out-burst bewildered both film makers and critics alike. They had believed, obviously mistak-enly, that one of the signs of a vibrant cinema was that it made films about contamporary. The Professor's peculiar outburst bewildered both film
makers and critics alike. They
had believed, obviously mistakenly, that one of the signs of a
vibrant cinema was that it
made films about contemporary
problems in contemporary settings. But the Professor will
have none of this. He especially
dislikes the films of two men
hailed today, he says, as "promising young directors," Stephen
Frears and Derek Jarman. (For hailed today, he says, as "prom-ising young directors," Stephen Frears and Derek Jarman. (For ising young directors." Stephen vive in a movie which leaves fires of revolution and it tensor and Derek James. (For the record, these promising of meaning or emotion. We of the dispossessed. If the site of transfer from the directors been making feature films for 17 and 13 years people are being driven from the very first satiric voice-over: would so dearly like: that presented by Frears and written directed by Frears and written by Hanif Kureishi (the team that made My Beautiful Laundary 19 and 19 a respectively.) The irony of Sammy And Rosis Get Laid, directed by Frears and written by Hanif Kureishi (the team that made My Booutiful Laundrette), is that it is indeed a bad film: but for none of Professor Norman Statistic masters. feasor Norman Stone's reasons. For him a movie is condemned by its subject matter - in this case riots, social upheaval and promiscuotes sex – regardless of how a filmmaker treats them. For me, Sammy And Rosis Gets Loid fails not in its matter but its method. What should have been a timely and scarifying confrontation with life in the

confrontation with life in the sceptred isle — a tragicomedy about good intentions versus gotterdammerung in Britain today — is instead at once loud and leaden, aggressively didactic and dismayingly outdated.

Chief problem is the characterisation. Unlike the supple and credible denizens of My Beautiful Lauracratic these Capricorn under the direction of Antony Pay ensured that The forces used were modest, but most of the music produced thereby was bright of colour, Beautiful Laundrette, these ones are arthritically emblem-atic. They come on wearing labels and wear them through-out the film. Shashi Kapoor as the more vivid for apparently managing to sever links with the wretched little grey hole in which it was being performed. The five names on the bill were Rafi is the Pakistani politician with a Past, who comes fo stay with his son (Ayub Din Khan) and daughter-in-law (Frances Barber) in riot-torn Britain. It The five names on the bill were familiar ones, respected, established figures of Australian music (David Lumsdaine, oldest of them, lives and teaches in Britain, and Roger Smalley, born here, has long made his home in Australia, and is therefore not out of place in such a sathering). is actually riot-torn Britain. It is actually riot-torn Notting Hill and environs, but this film works by symbolic synectoche. The diseased part stands for the diseased whole, and we are encouraged to believe that all of the UK is like this. (No won-

some time during its course, at least a few of the composers

who have made that country such an exciting and remark-

music had not also been cele-brated. Wednesday's concert by

there was no such oversight.

free in imaginative resource, all

Oxford University. In it he voiced his strong distasts for films like The Last Of England, East The Elch and Sanny And Rosis, which tackle such sordid subjects as race riois, inner-city decay and sex.

The Professor's peculiar outshan-white Claire Bloom (old flame of Kapoor's) and darker shade-of-brown Roland Gift for target is an first large tis an fir The war also flickers, with Thatcherism at all. To knock down a target, you first have to ensure that it is set up. But Kureishi and Frears seem to have no idea what the appeal of Thatcherism to millions of Britishers is. Their target is an all-purpose, all-time bogeyman Toryism, symbolised by the late scenes of squatters being shunted from a wasteland under the Westway due for league.

The war also flickers, with varying intensity, in the eyes of foul-mouthed Sgt James Earl Jones; in those of Caan's lover Anjelica Huston, peace activist and Washington Fost reporter; O.B.Sweeney), who becomes Caan's protege, a zealous patriot in the making and the son of a former Korea college.

Australians/Purcell Room

Max Loppert

non-Suropean timbres and har-mondes – that one particularly associates with modern Austra-

lian composition, there were here two pleasing samples. Ross Edwards's *Moninga IV*, for the original and attractive combina-

original and attractive combina-tion of bass clarinet, marimba, and trombone, comes from a recent series of similarly named works. Its bright rhythmic energy, "minimal" (but not sim-ple-minded) exchange of key melodic motifs, and general air of freshness and charm made one keen to hear the others. Smalley's Management for flute

Smalley's Movement for flute and plane (which also ventures inside the instrument) is at once a carefully constructed set of theme and variations and a

Sammy And Rosic Get Laid directed by Stephen Frears
Gardens Of Stone directed by Francis Coppola swe).

Mr Khan and Miss Barber are, swe).

Mr Khan and Miss Barber are, like Mr Kapoor, walking symbols. He is the Adaptable lumingrant, happy to milk Britain for a trendy-Bohemian like-style lang.

Sammy And Rosic Get Laid enters our cinemas the week after a well-known Sinday newspaper ran a fulsome diarless and a social worker. Indeed she is the film's resident social constitute against trends in modern British cinema. It was written by Professor Norman Stone of Oxford University. In it he voiced his strong distasts for films like The Last Of England.

Also moved through the plot like schematically differenti
directed by Stephen Frears

been goggling at the movie in bawe) and server are.

In think of: from slumland eviction to free love to Far-East film, adapted from a novel by Rescism. (We never discover what precise horrors Kapoor perpetrated in Pakistan as a Since The Deer Hunter. And that includes Coppola's own previous, 100-plece symphony on the subject, Apocalypse Now. This film never leaves guilt empires.)

Part socialist scap-box, part scale is like reflected firelight in the gues of Sergeant James Caan, an ex-war hero now assigned to box for flum a novel by Rapoor is just there to be Our on the subject, Apocalypse Now. This film never leaves swinging 60s hangover – the much-vanuted triple sex-coulding spile empires.

Part socialist scap-box, part socialist scap-box, pa

Sweeney wants to fight in Vietnam, because "a soldier in the right place at the right time can change the world." But for Caan the whole war is a tragic American blunder, and he

welcome. A pity so attractive and enjoyable a concert should

not have drawn a larger audi-

by Dr Stanley Kubrick. The strength of Coppola's movie is that it is about credible human beings. Caan is a war-wrinkled buliet-head whose eyes and words twist in palpable pain over his country's mistakes: mistakes whose grim human harvest he buries each day with full honours. Huston pours character, feeling and a weather-beaten wit into a role that could easily have been an empty vessel: the films's token civilian peacenik. And throughbanter, an open market for blue jokes and exuberant cynicism

("D'you wanna get laid tonight or would you rather have some fun?"), is uproariously believable under the emcee-ship of

The vividness of the characters means that when the crunch comes - young Sweeney goes to Vietnam and yes, the funeral we flashbacked from in scene one proves to have been his - the film is overpoweringly moving. We weep with Caan for a whole complex of reasons: because he sees himself in the how and his error doubt in the boy and his own death in the boy's death. And we weep because Caan, like most of us at one time or another, is a muddlehead whose heart and mind, ideals and career, strain in irreconcilably opposite directions. Gardens Of Stone is the best Coppola film since the two Godfathers: and the first film about Vietnam to suggest that among its most poignant war-wounded were men and women who never went to the war at

Celebration of the Australian bicentenary is gathering pace. It would have been sad if, at some time during its course, at some time during time durin tial arts movie from Hong Kong.
Heroes and heroines fly
through the air with crackling
drapery: giant tongues slither
through forests: corpses come
to life: and the dialogue echoes more obviously recognisable Western context. The eight pieces are unassuming invenpieces are unassuming inventions, mostly solo or two-part, in which tiny examinations of a single thought or style (some of the music is gently neo-Bachian) are placed side by side. The effect of the whole is lyrito such withering curses as "Damned Taoist!" The only character I sympathised with, in a plot of mounting incomprehensibility, was the one who turned away from the hero's pleas for help at one point mut-tering, "He's incoherent. No point in helping him." In Barry Conygham's Voicings (1983), the exchanges between four instruments and a pre-recorded tape strike at the

pre-recorded tape strike at the start an apocalyptic tone, and later a vein of grandiloquent romantic gesture; the boldness of the music is unembarrassed and sustained. Only Alison Bauld's rather feebly jokey Copycats (not helped by creaky gestures in the direction of music-theatre) outstayed its welcome. A pity so attractive Better to sample Fritz Lang's classic 1953 thriller The Big Heat in a new 35-mm print. This is the film in which Gloria Grahame gets a cup of hot cof-fee thrown in her face by gang-ster Lee Marvin. Along with the free coffee, she gets – and so do we – Glenn Ford, a cracking script (by Sidney Boehm) and Lang's angular, atmospheric direction.

South Pacific/Prince of Wales

Michael Coveney

I would be hard pressed to story to reflect national guilt through this role. place in order of merit or preference this great musical, Madame Butterfly or Pacific Overtures. All go to prove that the Americans abroad, colonial-ism and poisoned romance are strong subjects for light the-

atre.
The trouble with South Pacific is that zapping the Japs towards the end of the last World War assumes a slightly less obvious appeal 40 years on. This lends the rather tortuously uninteresting last quarter of this musical a leaden provenance. Long stretches of the book by Oscar Hammerstein and Joshus Logan came out bet-ter on the film, though not much else did.

The first 90 minutes are astonishing as the first 40 of Oklahoma! This spirited but tatty round the edges revival from the Theatre Royal, Plymouth, does them full justice. The lynchpin here is the vet-eran baritone Emile Belcourt, who gives secure resonance and lustre to "Some Enchanted Evening." Elsewhere, you marvel at the nerve of starting a musical with a romantic pick-up, a colourful lowdown on the boom in street trade when the Americans hit town, and a chorus for leaping, horny Gls ("There is Nothin" like a Dame").

Gls ("There is Nothin" like a Dame").

The miracle of invention was finding, four years after the truly experimental Carousei, a to carve out a new route

about foreign bases in war-time and, especially, miscegenation. Nurse Nellie Forbush – Flor-

But bitterly parallel to this romance runs the mercenary mating by the witch-like exploitative fraud, Bloody Mary, of her daughter with a doomed and open-minded lieutenant (Andrew C Wadsworth acts and sings quite beautifully). It is the one serious innovation of Roger Redfarn's production to encourage Bertice from that splendid Leicester

What she lacks at the moment is charm and real pezazz as she washes that man right out of ence Nightingale from Little
Rock - recoils from the immigrant French planter when she
discovers not that he has chiland spunk. Technically, she

grant French planter when she discovers not that he has children, but that he had them by a sings very well, although she performance, not enough fizz and spunk. Technically, she dren, but that he had them by a sings very well, although she performance of the condition of the c actress of Miss Craven's proven ability should be able to make

vation of Roger Redfarn's production to encourage Bertice from that splendid Leicester Reading's knowing, worldly Bloody Mary to turn in an acting performance easily the match of her superb renditions of "Bali Ha'i" and "Happy Talk."

The designs by Terry Parsons are more kitschy than smart, providing an awful waterfall backdrop on cardboard rocks for "Younger than Springtime" and too many awkward trucks and too many awkward trucks and one-dimensional palm trees elsewhere.

> The overall impression is of camping around with a classic rather than setting about it with a fresh paintbox. An opportunity has been missed. The London commercial theatre has had a rewarding reunion with West Side Story, My Fair Lady and, above all, Oklahoma! This production will do for now, but not for long.



Emile Belcourt and Gemma Craven

Company, Kid's Stuff/Donmar Warehouse

Martin Hoyle

tuosity twice nightly; or, more precisely, two one-man turns each evening. The pieces are unconnected and can, inde should, be sampled separately, since 70 minutes of Samuel Beckett and 90 minutes of Gallic whimsy filtered through Australian all in one sitting recall Mr Bennett's tactful verdict on his daughter's singing: "You have delighted us long

enough." Quite long enough.
Beckett's Company, in
Katharine Worth's adaptation,
comes to WC2 with an Edinburgh Festival Fringe First to its credit. Hitherto available in the archetypal over-priced, large-printed slim volume, the novel gains little from translation to the stage. "You are on your back in the dark," are words that recur, a Leitmotiv in a characteristic monologue of recollection (in the second per-son) and wry comment (third person), dry humour and delib-

speaker unconsciously pin-points the writing's own ten-much;" "all of a sudden there is dencies: "its long silences when he almost dares hope it is at an end" and "another trait – its repetitiousness with minor Tim Pigott-Smith's devoted

direction and Julian Curry's beautifully paced and modulated performance gain from stage lighting that dapples the prone figure "at the foot of an aspen" with a mottled glow like stained glass, or suddenly illu-minates the actor's head with twin lateral beams of light. A black-draped high-backed chair (the throne from Endgame?) and a tramp-like mannequin make up the set. Heretics may wonder why it should be staged at all; ungrateful philistines may find it soothing to the point of the soporific.

There is nothing soporific about Julie Forsyth. For an hour and a half she impersonates a carrot-haired small boy whose squat, square face resembles an animated currant bun. Kid's Stuff, which starts at 8.45, marks the British premiere of another dramatised novel. Raymond Cousse's French original mond Cousse's French original has been translated by Katherine Sturak, but only just. It still sounds French when not sound-ing American. Its fractured

my mother who arrives") amount to a hilarious parody of atrocious translatorese.

In Ms Forsyth's Antipodean tones (she has made a speciality of the role in Australia since 1984) the effect is faintly sur-real; especially when the child moves from everyday observa-tion to fantasy. From religious and sexual puzzlement to imag-ining the butcher, his wife, apprentice and even shop rising to heaven on wings; from the first uncomprehending experience of bereavement to pictur-ing his own funeral, the effect is of *Poil de carotte* as remade by Fellini

The actress has a considerable technique, whether retailing the rapt wonder and gleeful confidentiality of childhood or providing the voices of police-man, priest, old woman or butcher. Some classroom com-edy with harassed teacher and innocently iconoclastic children is Gallic froth at its most ponderously unexportable. Cumulatively touching, however, Ma Forsyth, who plays Chekhov and Shakespeare under the Southern Cross, would be worth seeing in something better. Jean-Pierre Mignon directs. Honestiv



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Friday January 22 1988

Mr Balladur's dream

THE IDEA of a European centhat the call for enhanced European monetary cooperaworld of severe currency dis-order any proposal for kets would be condemned to increased monetary coopera-become the new depressed

in the international monetary debate. Institutional change might also provide an answer to France's current discontent with the exchange rate mech-German financial conservatism imposes constraints on growth in other member countries. There is, in addition, the argument that the creation of a single internal European market reinforces the case for closer monetary union.

If a true European central bank is under consideration, it is hard to believe that it see will come about in the present century. For such a body would imply not only that exchange rates in the Commu-nity were irrevocably fixed, but that there would be a single currency, money supply and lender of last resort for all member countries. Representatives of the Bundesbank have indicated that freedom from political influence would be a necessary condition for setting up the bank. Few in the Community would be willing to concede sovereignty on this scale - least of all Britain, whose present prime minister finds even the EMS

THE IDEA of a European cen-tral bank has been aired at nomic consequences be easy some length by Mr Edouard to manage. In the United Balladur, the French Pinance Minister, in recent interviews and speeches. He will no doubt have been gratified freely between states and that the coll for the property of the college of the colle nominal wages respond fairly flexibly to economic circum-European monetary cooperation this week by Mr Hansbietrich Genscher, the West ferent languages and cultures,
German foreign minister, migration is inevitably more
included a helpful nudge for limited. Deprived of the
his bandwaggon. Cynics may
feel that it is easier to float
feel that it is easier to float
distant dreams of currency
shocks, members of the curunion than to confront the rency union would see more immediate financial crisis of of the burden of adjustment the Community. But in a thrown onto wages. Those

tion deserves better than to be written off as mere Euro-bunce. Mr Balladur would be the first to acknowledge the prob-Mr Balladur argues that lems and has argued for a moves towards monetary progressive approach to mon-union and wider economic etary union. And it may be convergence would give that a more pragmatic case Europe a more powerful voice could be put for a European equivalent of the International Monetary Fund, whose main role was confined to smoothing balance of payments adjustment. Yet it is anism of the European Mone-tary System, whereby West other kind of European central bank, should be regarded as essential to the creation of the internal market, as Mr Genscher implied. Or, indeed, why the Germans should par-ticipate in a reformed EMS which imposed an obligation on surplus countries to lend more freely, which the French would presumably wish to

Despite the disorder that reigns in international currency markets, it is a moot point whether this is really the moment for grandiose monetary visions in Europe. For the removal of capital and exchange controls on the way to the single market will impose very considerable strains of their own. Rigidities in labour and other mar-kets will be uncomfortably highlighted as capital flows move freely across the exchanges, imposing more pressure for economic convergence. This is a time to prepare to defend the ground,

Abortion and the right to choose

gulf and divides where nor-mally there is the closest based on the sustainability of unity. would replace a criterion based on the sustainability of independent life with a less

Each time parliamentarians

opposed to abortion the termi-nation of the life of a foetus nation of the life of a roccus at any stage after conception is killing. For the Society for the Prevention of Unborn opponents are prescriptive. For those for whom abortion future human to live is pri-

For those who fight under the banner of women's right to choose, the primary right resides in the decision of the woman to continue, or to terminate, her pregnancy. She may have been raped; or be diseased; or have been deserted by the embryo's father; or believe herself to be 1854. or believe herself to be psy-chologically unfit to raise the child or continue to carry it; or have discovered it will be born mentally or physically

The bitterness of the issue derives from the complete incompatibility of these two rights. For most people, the choice between them will be made the harder in the recognition that those on the other

MR DAVID Alton's Abortion port. The indications are that (Amendments) Bill, which gets its second reading in the House of Commons today, is not ordinary politics: it is a the low 20s. In setting a cellmatter which both unites ing of 18 weeks rather than across the widest ideological the current 28 weeks he

have attempted to narrow the Second, it is probably right terms of Mr David Steel's that the exclusion of women Second, it is probably right 1967 Abortion Act - there from the right to have a legal have been 13 such efforts - abortion will send many to debate has been harrowingly illegal abortionists: the lawbitter. For good reason: what is at stake is the definition of large penalties indeed to stop life itself. danger both of physical dam-For those fundamentally age to the woman and disrepute for the law.

logically defensible one.

is an offence to their religion and morality, a plural society of putative personality and allows full scope. But, in the physical traits, should be absence of an overarching untouchable. The right of the religious consensus, there can be no firm ground on which to base the overall prescription which the anti-abortion lobby

> weeks: the age at which, with advances in medical technol ogy, a baby can (not invariably) be kept alive,

Everyone can unite in dis-liking abortions. We should be more active in telling children (and some young adults) how to avoid becoming pregnant

side are generally as sincereand as respectful of rights as
themselves.

The Alton bill should be referred and other practices of
allowing abortion on demand
up to 12 weeks are also relevant. If it were made easier
for the woman (it is never opposed, for several reasons. easy: no rational woman will First, his choice of 18 weeks choose it as a contraceptive as the period beyond which device short of desperation) an abortion cannot be legally and less distressing to conobtained (except, possibly,in
the case of a serious handicap) has no medical argument late abortions which rightly

AFTER FIVE YEARS of AFTER FIVE YEARS of dogged crisis management, cracks are widening in the strategies adopted by both debtors and creditors in handling the Third World debt problem. Although this implies a weakening in the solidarity which both sides, particularly the banks, have striven to maintain, it could also open the way to new progress.

progress. The cracks have been opened - on the debtors' side
- by a greater determination
to test new ideas and - on the
banks' side - by a growing
readiness to recognise formaily that many of the loans
will never be fully repaid.
The background to this

The background to this change was set by Brazil's declaration of an interest pay-ments moratorium last February, still not ended though recently some interest was paid. Subsequently, most of the world's large banks decided to make large provi-sions against their Third World loans: 25-35 per cent among the large US banks who have the greatest expo-sure.

In the past few days, some important regional US banks have taken their provisions to around 50 per cent of non-trade related loans to problem countries. There is an element of competition in this: the big- December. Effectively, this ger the provision, the stroninvites banks to compete with
ger the bank, the less encumbered its future planning. But
intended to be once-and-forit also implies that banks are
moving towards a position loans. It is still far from clear where they can actually write how many banks will particitheir LDC loans off, on the pate in next month's auction.
assumption that they will Like other debtors, Mexico
never be repaid, as some have has watched banks not only

throes of the debt crisis when value. It sees this as an many banks could have been admission by banks that there bankrupted by their Third is little chance of the loans World loans. Now they are being fully repaid, and is cha-better capitalised, and strate- grined that it is still expected the cost if it frees them from the burden and tedium of condebtors' growing frustration with a rescheduling process

should continue to service cant economic growth. Latin their debts. Other bankers are American debtors have found more prepared to take what it increasingly difficult to recthey can get. oncile the demands of foreign Such shifts in the attitudes creditors for economic adjustof both debtors and creditors ment with domestic political could upset the delicate bal- constraints. Already this

between the two. In a report this week it said payments moratorium.

hat higher provisioning by The Mexican plan attempts that higher provisioning by The Mexican plan attempts banks and build-ups of to capture the discount at arrears by debtors "threaten which loans are trading. It to break the mould in which invites banks to tender existthe management of debt probing loans in return for a lems has been set since 1982." smaller amount of bonds. Provisions, it argues, reduce These would be of better banks incentive to continue quality than the loans they participating in new loans, replace – principal but not and conversely, payments interest will have US Governco-operation between the two ened and the banks would

ndustrialised world. This co-operation could be

Banks cannot help but welforthcoming – as long as come such a positive scheme
banks are prepared to use which is in line with their

David Lascelles and Alexander Nicoll report on changing attitudes to Third World debt

What it costs to forgive and forget

begun to do. making provisions but also Such moves would have trading loans amongst them-been unthinkable in the first selves at about half their face

stant worry and rescheduling. with a rescheduling process
Many bankers still feel which appears to condemn
strongly that the larger, mid-them to years of heavy debt dle-income debtors such as service payments without the Brazil and Mexico can and resources to finance signifiancing act which has staved year, Brazil has - in bankers' off disaster so far. Indeed, the eyes - gone back on a promise World Bank has expressed to keep interest payments reservations about recent current from the beginning of trends in the relationship 1988. It says it never made such an undertaking to end its

their provisions to build more own "menu" approach of flexibility into their negotia-ting positions, ods, designed to freshen what ting positions,
The differing views among bankers have been spot-lighted by Mexico's innovative loans-for-bonds scheme which was announced in which excuse the banks tak-

ing them from participating in future new loans.
For each bank, however,

the offer involves complex mathematics depending largely on individual capital, position and regulatory envi-ronment. Which course of action produces the best return: to bid aggressively and take a substantial loss on the loans tendered (taking a bond which is likely itself to fall to a discount); to sell loans for cash instead; or to take no action at all, hoping that Mexico's eased debt bur-den will actually enhance the quality of existing loans? The answer will vary from bank to bank.

More fundamentally, this plan forces each bank to con-sider its future strategy and the adequacy of its provi-sions. It will set an important precedent if it is successful in attracting enough competitive bids. Banks which take part will have to write off a por-tion of their existing loans, accepting for good that they

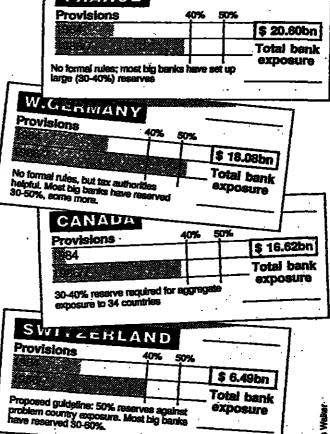
will not be fully repaid.

It is significant that the plan carries the stamp of Morgan Guaranty Trust, the New York bank which is acting as Mexico's agent. This is one of the biggest lenders and a member of the advisory com-mittees which have governed the banking community's strategy of rescheduling debt

over longer maturities. Mr Gonzalo de las Heras, the Morgan executive responsible for Latin America, insists that the scheme does not undermine existing debt as part of "an orderly exit strategy by setting a prece-from cross-border lending," suspensions make it harder ment backing - and would dent for debt forgiveness. for debtors to negotiate with pay a better return. Mexico's Accepting the bonds, he says, creditors. It called for greater debt burden would be light-involves "voluntary debt forgiveness in the sense that you are given something that you sides and more leadership have a better and more sale-from governments in the able asset than they have like more than what you

> However, certain banks have already written off some of their debts. Bankers are quick to point out that this is not the same as debt forgive-

country exposure Total bank \$ 29.73bn Total bank All banks meet Government guidelines average maximum of 5% reserves agai loans to 38 countries υK \$ 29.00bn Provisions Total bank Bank of England matrix suggests reserve levels from 5-100%, depending on country. Most major banks have now provided 25-50% FRANCE **Provisions**



\$80m respectively of Latin cedent which could be damag-American loans. Both were ing to other parts of the keen to point out the advan-tages of taking their write-offs. Mr Bobert Smith, chairman of Amex Bank_described the bank's whole package of LDC debt reduction measures

more flexibility.
Mr Ira Stepanian, president of the Bank of Boston, said it would reduce his bank's exposure to the Third World as well as its future reliance on interest income from the minant of balance sheet dents are being set. None the loans. And, freed of the worry, he can now get on with his other plans.

same route, for several rea-

ing to other parts of the banks' loan portfolios, and involve them in further s. It would also weaken their bargaining power with the debtor nations. All this would outweigh whatever political credit the banks Third World debt problem might earn for valuing their unless they lead to forgivewhich would give his bank more flexibility. Third World loans at more ness. Mexico is testing one more flexibility.

But other bankers both in more funds in the market. pected quarters. The banks Europe and the US are less However, under the new are undergoing a slow change enthusiastic about taking the international bank capital in attitudes; in the months

Providing for Latin America may be more room for manoeuvre in the longer run. In Europe, banks are better placed to make write-offs. But in the UK, banks are being pressed by the Bank of England to move only at the pace of the slowest runners – Standard Chartered Bank, Midland Bank and Lloyds Bank – whose LDC exposure is relatively the highest.

Solidarity. Few bankers are willing to take a bold step of their own. Mr John Reed, the chairman of Citicorp, who triggered last year's provisions, is unlikely to do the same on write-offs: he has stated his firm opposition to Provision levels as % of problem In Europe, banks are better

stated his firm opposition to them, and Citicorp could not afford such a move because of the balance sheet effects. No logic. Bankers argue that write-offs would make little or no contribution to easing the Third World debt burden, unless they went one stage further and forgave the debt they had written down. This they are not prepared to This they are not prepared to do. Both Bank of Boston and Amex Bank said they still expected to be repaid in full – and they will use any interest they receive in the meantime to write down other debts. The Mexican scheme involves

a commitment to forgive debt, which is why so many banks oppose it.

Continued involvement in rescheduling and calls for new money. A bank writing off its debt would not escape any obligation to participate in future efforts to raise new loans to help finance interest payments - unless it had for-

mally agreed to forgive the debt. So it would not shake off the problem of being a Third World creditor. The debate about write-offs is sharpened by doubts over which loans should be written down and by how much. The loans which Bank of Boston and Amex wrote off were to specific types of borrowers, which they did not identify (though Amex said its loans were all in the private sector). Bankers could argue with some force, however, that there is no need totally to write off loans which continue to trade at 50 per cent of their face value in the sec-ondary market. However bankers know that this mar-ket is an unreliable guide to secondhand loan values, and they would never be able to sell a useful amount of loans

Mr John Aitken, the bank stock analyst at County Nat-West, the investment banking arm of the National Westminster group, says bankers are going through "a mental unravelling process" over write-offs. "In not many months, or maybe a year, they will start writing their loans off," he predicts.

The central issue is that

write-offs will not aid the giveness from the banks but impact on bank strength, the sums are small and an strength. So big write-offs less, as has often happened in would weaken their capital the debt crisis, progress can ratios and force them to raise come from sudden and unexproposals of the Cooke Com- ahead, that process could persons:

Principle. To forgive Third
World debts would set a pre
mittee, countries will have to haps lead to brave actions — phase provisions out of the capital calculations, so there widespread forgiveness.

Back street demos

■It was just like the 60s police on horseback, thousands of demonstrators waving placards; some even sat in the road, and there was Julie Felix turning the clock back at the rally.
The cause, for there had to be cause, of the scenes around Westminster yesterday was David Alton's Abortion Bill

Inside the rally there was the

The 40 or so pro-Akton contingent were easily outnumbered as they lined up outside the Central Methodist Hall, but they had some views worth noting. William Robertson, holding a plackard saying simply "Beincarnation", explained his position: "I don't want to be aborted some time in the future." Robertson, who claimed to be a Chiswick Buddhist, added: "We take the view that human life begins before conception. Even sperm is sacred."

While he may not have had The 40 or so pro-Alton contin-

while he may not have had the complete support of his fellow protesters, at least his protest was peaceful — unlike that of the Oxfordshire Methodist minister, the Rev Paddy Kyle, who took umbrage at the Fight Alton's Bill contingent occupying the hall and went inside to turn over a few tables before being ejected by police.

"I think it's appalling that these premises should be used by those who are anti-life," he said.

"I think it's appalling that these premises should be used by those who are anti-life," he said.

or causing pregnancy.

Finally, the US, Swedish French and other practices of behind it, but is pitched to get generate so much anguish the maximum political sup- might be avoided.

Observer

and will speak against Alton today.

Strikes and shares The technicians of TV-am, David Alton's Abortion Bill whose salaries have become the which aims to reduce the legal limit for abortion from 28 lock out in November, are keeping up their spirits by produc-ing a samizdat newsheet called

actuary. His work with leading mutual life company Clerical Medical - a firm with a history Inside the rally there was the curious spectacle of the Conservative MP for Hertford and Stortford, Bowen Wells, attracting applause from the floor which included a sizeable group from the Socialist Workers Party.

Most men were taking a back seat, particularly in view of solely a life company to finanseat, particularly in view of comments from Harriet Har-man, Labour MP for Peckham

solely a life company to finan-cial services. man, Labour MP for Peckham who said: "There needs to be more research into contraception for men as well as women." The cause appeared broader than David Alton's Bill. David Steel, who started it all in 1967, sent apologies for his absence operations are impinging on the last of the family to run the



So my old granny was right all - 'Moore doesn't mean better."

ability of actuaries to exercise their professional judgement. Corley is dismissive of any suggestion that the actuary is irrelevant to the modern life company or that actuaries are losing out to accountants. He feels that relations between the two professions are excellent and that co-operation between

them is growing.

The main problem, he claims is that the UK actuarial profes sion is a victim of its own suc sion is a victim of its own suc-cess, and although we have heard that before, we shall watch his attempt to find new recruits with interest.

Last Heineken

The retirement next year of Alfred Heineken, the 64-year-old chairman of Holland's Heineken brewery, will mark the end of an era. The chairman-ship had always been one of the parts of Heineken that other

brewery and will be succeeded in April 1989 by Gerard van Schaik, 57, the vice-chairman. Alfred Heineken, believed to own a quarter of the company that was started by his grand-father, has been chairman since 1971. He joined the business as a 10-wear-old in 1042 Norr es a 19-year-old in 1942. Now, as head of the third largest brew-ery in the world with sales of FL 6.7bn in 1986, he has a per-FL 6.7bn in 1986, he has a personal fortune reportedly ranking among the top 10 in the world, but this did not prevent Freddy imbibing at his popular "Hoppe" Cafe in Amsterdam until he was kidnapped in 1983. A multi-million florin ransom was paid, much of which was subsequently recovered.

Nowadays he stays out of the Nowadays he stays out of the limelight and travels everywhere with bodyguards. He is married to Lucille Cummins, daughter of a Kentucky whiskey distiller.

Tunnel channel

■The BBC has found the solution to a motorists' bugbear -missing bits of radio programmes as the car enters a tunnel. For two year drivers using the one of the twin Dartusing the one of the twin Dart-ford tunnels under the River Thames have been benefitting from a BBC experiment with a "leaky feeder", a device in underground communications systems which allows uninter-rupted listening on the car

radio.

The Corporation has been so pleased with the trial that the system has been extended to the other tunnel and now carries seven channels on the medium and FM wave bands. medium and rM wave bands. Similar services in other tunnels may follow. Leaky feeders are used in US road tunnels to insert quick jingles and advertisements but this is not planned in Britain — or at least

Halle ·

ENew and inexplicable Cambridge graffito, this time in a pub: God damn the Halle Orchestra.

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<u>POLITICS TODAY</u>.

Hearts, minds and wallets

By Joe Rogaly

THATCHERISM has started to as no

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months after a triumphant months after a triumphant third election victory—especially during a period in which the opposition is in diagray. But consider the nature of the wobble. It is not a matter of ministers being tired: most of them are bouncing with energy. It is not a simple case of running out of ideas: there are probably too many of those about. It is rather, that we can now perceive two distinct fissure

NHS is safe in our hands. slightest chance of political by everyone engaged in it."

The "crisis" in the National acceptance it would have to the service will continue to so long as that contradiction pecista. The Prime Minister declines to accept this analysis. Her oft-repeated view is that there are only two things wrong with the NHS its poor cost control and its poor management. Talk oppositions of the provision of vals since I was a tea boy on Treasury scrutiary and from Treasury scrutiary in the National health service. Such a squeeze is sending the contradiction pecista. The Prime Minister Such a squeeze health service was created to see it happening to the service was created to see it happening to the service was created to see it happening to the service was created to see it happening to the service was created to see it happening to the service was created to see it happening to the service was created to see it happening to the service was created to see it happening to the service was created to see the service was created to the service was created to the further increase in spending to the service was created to the servic

wobble. After this week it is such a policy is expensive she has to do is to place minimo longer credible for even in terms of responsible minister after minister on her the most ardent supporter of ters, as the present incumulation that has mark the foreign as Britain's Prime Minister to say that her Government has won all the arguments.

Her global reputation, as the House of Commons to the NHS, the Prime Minister of the Western she demonstrated her mastery in the form of nurses, that has placed itself at the work Mr Moore's mouth, but forefront of the Western she demonstrated her mastery world's march away from of ventriloquism by throwing socialism and towards the her voice all the way from rule of the market, is at a her office in Downing Street right across Parliament could see the start of a down ward slide.

All that may seem like quite a turnaround only seven Mr Moore found the strength months after a triumphant third election victory—esse-

Something radical is needed to break the perceived link between the level of spending and the

simple case of rusating out of deast there are probably too of spending and the ter of Health ended a quarter of a century ago.

The passage in Mr Powell's book, Medicine and Politically unasswerable with the transfer of a list of and politically unasswerable with that philosophy.

The first fissure is there is there of gross domestic product on because of sn internal contradiction of gross domestic product on the passage of sn internal contradiction of gross domestic product on the private health care than we seemed to many people to be a coherent of gross domestic product on the private health care than we spend a far higher proportion of gross domestic product on the private health care than we seemed to many hor to value Added then unknown Margaret than as an annually determined sum? Should it be expressed as a percentage of GDP rather than as an annually determined sum? Should it come to a century ago.

The passage in Mr Powell's book, Medicine and Political for the payroll tax (as in West Germany), or to Value Added philosophy.

The first fissure is there of gross domestic product on because of sn internal contradiction of gross domestic product on the unknown Margaret than as an annually determined sum? Should it be mined sum? Should it come to a century ago.

The passage in Mr Powell's book, Medicine and Political for the payroll tax (as in West Germany), or to Value Added then unknown Margaret Tax? Such a change would at then unknown Margaret Tax? Such a change would at then unknown Margaret Tax? Such a change would at then unknown Margaret to every taxpayer. But onething more radical would be required to break well as using it with a vested interest in denigrating it, so the product of payroll tax (as in West Germany), or to Value Added Tax? Such a change would at then unknown Margaret Tax? Such a change would at the universal Exchange of interest of every Such and the payrol tax (as in West Germany), or to Value Added Tax? Such a change would at the universal Exchange of interest of the work of inter

night from every part of it, a chorus only interrupted when



It is no wonder that if Mr Moore had been able to make chorus only interrupted when someome suggests that a different system altogether might be preferable, which would involve the money coming from some less (literally) palpable source. The words are those of Mr Enoch Powell, whose three-year term as a Conservative Minister of a century ago.

Moore had been able to make his own speech it would probable that of Mr Norman Tebbitt, who saked rhetorically on Tuesday (a) whether there should be any limit on NHS spending and (b) how the money should be raised. If there were to be a limit, should it be expressed as a percentage of GDP rather than as an annually deter-

the British Medical Journal in 1957. and control. For the time being, Mrs Thatcher is plainly more afraid of the political consequences of moving away from the current structure of the health service than she is of the persistent, and growing, chorus of complaint.

The second fissure in Thatcherism is more fundamental. Britain's new model conservatives can stimulate the creation of wealth, but they are not clear about what happens next. They have made many citizens richer, (and created a fiscal surplus that will no doubt turn the US Treasury green with envy), but they have not begun to think through the optimum size of taxpayer-financed spending on social services like health, education and welfare. Thus at a time when, in the memorable words of Labour's spokesman on health, Mr Robin Cook, "the Chancellor's wallets are as ample as his presence, the Government has put forward spending plans that seem inexplicably penny-pinching.

Mr Lawson of all people should understand this well. In a thoughtful speech at the Centre for Policy Studies this week, he said: "You have to win the battles for hearts and minds as well as for wallets." He told how the post-war Labour Government under Clement Attlee had convinced people of the moral superiority of big government and equality. The consequence

was a quarter of a century of inflation, low growth and an erosion of authority.

In 1979, the present Government began to entrench the moral imperatives of capitalism: choice, the market, incentives, opportunity. Inflation was now down, growth tion was now down, growth was up and authority was restored. The time had come to "spread the benefits of freedom and personal respon-sibility further, into areas of society further, into areas of society from which they are still too frequently absent; notably education, rented housing, and the inner cities". Health is not mentioned; presumably this is still to be subjected to the morality of big government and equality, with cost inflation, low growth and an erosion of authority in the NHS the con-As to education, the Gov-

ernment has yet to win the argument for continued tight control over expenditure, while its proposals on rented housing are both too timid and too stringently costed (someone must pay the rent for the poor) to be likely to succeed. And while throwing money at the inner cities has money at the inner cities has been discredited as a policy, no serious proposals will work without some subventions from those bulging wallets. The moral arguments behind these matters remain to be settled. Until they are, the wobble in Thatcherism will persist and intensify.

Lombard

An Edwardian tax strategy

By Michael Prowse

MR NIGEL LAWSON likes to around 15 per cent, shortly abolish at least one tax in before the First World War it each Budget. His more fervent was almost 30 per cent. each Budget. His more fervent supporters are hoping that inheritance tax will get the axe on March 15. The apostles of the New Right argue that the tax, the 1986 replacement for capital transfer tax, is an appalling infringement of personal liberty. They point out that it raises little revenue and is expensive to collect. They can see no reason why a third-term Thatcher Government, with a massive parliamittee argued in 1978,

sents a serious misuse of lan-guage. Mr Lawson is not taxing the receipt of wealth but the giving of it. He is guilty, as Winston Churchill once put it, of "trying to tax the dead it, of "trying to tax the dead expense of leisure." it, of "trying to tax the dead instead of the living." He is also, illogically, taxing the giving of wealth only at or near death (no tax is payable on transfers effected when Sandford has scathingly dubbed a "lottery on length of life with the state taxing not time gifts.

In addition to tampering with the structure of capital taxes, Mr Lawson and Sir Geoffrey Howe, his predecessor as Chancellor, have steadily reduced their bite. tured big rises in thresholds tance taxes are expected to raise less than 2 per cent of

ment, with a massive parliamittee argued in 1978, mentary majority, should not "wealth confers benefits upon The levy is certainly flawed. The very title representation of law in the owner and is therefore a proper subject for tax". Indeed, capital is a more naturally and the owner and is therefore a proper subject for tax". ral candidate than wages because it produces an income

The disincentive effects of taxation are often exaggerated; but it is almost certain on transfers effected when the grave is seven or more (whether land, property or years away). There is no logic financial capital) produce behind what Professor Cedric fewer ill effects than those on earned income. This is especially so for inherited wealth. Indeed, the incentive effect the gamble itself, nor the winner, but the loser." Of the OECD countries that have death duties rather than proper inheritance taxes, Britain is the only one to the incentive effect here may be beneficial. All good Thatcherites would surely agree that there is nothing more likely to discourage work effort than the proper inheritance taxes, proper inheritance taxes, courage work effort than the Britain is the only one to receipt of a large fortune at a eschew the logical counter.

But of a general term on the logical counter.

Would also such as the logical counter. part of a general tax on life-time gifts. would also surely agree that the self-made man has a much better moral claim to his lavish life-style than those born wealthy; the latter, after all, have done nothing to deserve their riches.

steadily reduced their bite. Mr Lawson ought to take a Successive Budgets have fealesd from the Edwardians; in the interests of efficiency, and large cuts in the rate of capital taxes ought to become the tax. In 1987/88, inheriquantitatively much more significant. Inheritance Tax also ought to be made to live up to the Inland Revenue's total its name. If the receipt rather receipts. Apart from an ironic dip in receipts under Labour in the late 1970s (when CTT replaced the old estate duty), this compares poorly with past history; under Mr Heath the ratio was close to 5 per cent, in the late 1930s it was

Sir, I think it is about time to light a stick of dynamics under Lord Young and the Securities enta Board.

in that none of them have can comply? Order every stock-much practical knowledge of broker to cease trading? Turn a the technical complexities of a blind eye? Neither option seems stockbroker's back office, I find very satisfactory. it surprising that they do not appear to be interested in lis-tening to the reasoned advice which technical services directors of member firms of the stock exchange are trying to give them, via The Securities. Association (TSA), shout the implementation of the Financial

Services Act.

I do not believe that any stockbroker objects to most of the new regulations, but I would point out that some of those which have appeared in the final rule book (the latest key part of which appeared only on January 13, and was about three times the weight of the draft published last July) could never be complied with in any circumstances.

However, the main problem is the shadow of the criminal law, it is nothing short of a disgrace that to expect us to construct and test highly complex new systems in the 12 weeks remaining before the Act is implemented, let alone retrain lay I suggest, in order to most of our staff, is either made to bring some spice into the exerness or evidence of the SiB's class, that I agree to pay \$1,000 fundamental ignorance of what to any charity of your choice if the saking is to achieve.

As for the transitional relief to comply with TSA regulations in their entirety at the end of implementation of both Section 62 and "client settlement money" rules the first is a dangerous legal trap; and the second is worthless without deferral also of the "client free money" and "counterparty risk" rules.

So what is the SIB going to do 49 Moore Park Road, if, or when, on "A Day" no one Fulkam, SATS

T predict a shambles' Letters to the Editor

15,000 of whose investments I am in some way responsible, I do not believe that it is in anyone's best interests for the SIB to insist on the premature implementation of this legisla-tion, the result of which could be the demise of many firms of stockbrokers.

Indeed, were it not for the criminal proceedings to which directors and managers may be subjected for non-compliance. I would be tempted to dismins the timetable for implementation — as well as some of the regulations — as a joke. Given the shadow of the criminal law, it is nothing short of a diagrace that the SIB is imposing these regulations on us without proper deliate about the technical practicalities.

Hecause most of the regula-tions apply to the protection of private investors, for some 15,000 of whose investments 1 sis," January 11) in the financial community and at the White House has been less than enthusiastic, it is most likely because Mr Brady's team did not produce the watered-down, bland document that we have come to expect from such commissions. Rather, the special task force took its mission seri-

a lack of managerial ability which would be appalling in any other industry. It is abundantly clear — to this reader at least — that the regulatory authorities in the United States and the United Kingdom have not grasped the implications of the currency. A gradually declining currency produces a succession of such adverse effects, being offset only when trade volumes and prices change.

Bang.

If "Meltdown Monday" has achieved nothing else, perhaps it will lead now to a rationalisation of the regulatory framework within which the securities business operates. Options, futures, portfolio insurance and index arbitrage certainly have their place, but when these derivatives become the market, surely it is a case of the tail. surely it is a case of the tail wagging the dog?

Stephen Conway, 122 East 55th Street, New York

Dollar discussion is too alarmist

From Professor Geoffrey Wood. Sir, An important temporary connection between the US trade deficit and the behaviour of the dollar appears to have been neglected, with the result that the discussion has become cessarily alarmist.

Some years ago, along with Stephen Carse and John Williamson, I published a study of the financing practices of British foreign trade. We reported the finding that exports, both to and from Britain, were predominantly invoiced in the exporter's currency. There has been no comparable study for the US, but studies of individual US industries produce results consistent with our find-

rul document.

The securities industry has been well known over the years for its excesses, combined with a lack of managerial ability which would be appalling in any other industrial actions. It there is a fall in a country's exchange rate, receipts from exports, when measured in foreign currency, fall — while expenditure on imports, measured in the same way, does not change. The implication of this is that if there is a fall in a country's

Geoffrey E. Wood, City University Business School, Frobisher Crescent,

Industry's prosperity depends on the proper use of science

From Professor A.J. Morton.

Six, The new moves to direct university research along more profitable lines (January 6) may well do some good, but the Government is deceiving itself if it thinks that nothing more is needed.

A matter of at least equal serious attention trads to be path to steem authorities to rate the doing of research as more intellectually respectable than putching it to practical use. The quality of research can be rigorously assessed according to a well-understood academic system; other activities, especially those concerned with industry for its part has been seen to make smatters worse and when putches concerned with industry.

The new moves to direct university research along more is infic content rather than on the profit of the straining places for undergraduates in strong contrast to the situation in strong contrast to the situation in competing countries where for many decades the prosper-live from many decades the prosper-live from many decades the prosper-live from many decades the prosper-live for many decades the p

European Telecom Organizations ask you: Complicated business communication or Teletex?

"I herewith humbly petition Your Majesty to assign to me the professorship in logic and metaphysics."



Immanuel Kant in a petition to Empress Elizabeth of Russia,

Kant did not receive the professorship. but his message did arrive. In the 18th century that was not always the case. Every correspondence, especially when it had to cross many borders, was very complicated and time-consuming. Many people have to face these problems even today. In order to change this, some European and Overseas Telecom Organizations have joined forces to present Teletex. Today Teletex is a young and very efficient worldwide communication service. It makes desk-to-desk direct electronic correspondence a reality. With the same quality and text layout as in an advanced word processing system and in the document's original format, Teletex operates automatically around the clock, crossing all frontiers and time zones.

Teletex is an excellent solution for your formal business correspondence. It provides you with management support and efficient problem-solving facilities, because it can easily be added to your office equipment for your communications with the outside world.

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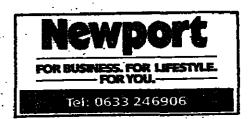
Please contact us and order the "Teletex Brochure", "Infoservice Teletex International", P.O. Box 1190.6600 Saarbrücken. Federal Republic of Germany, Phone: ++49615183-5226.

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Deutsche Bundespost

FINANCIAL TIMES

Friday January 22 1988



Ivo Dawnay in Rio de Janeiro looks at a turn in President Sarney's political fortunes

Resurrecting a dream of power

PRESIDENT Jose Sarney's struggle to secure a five-year term of office — begun 12 months ago, in critical condition by June and declared dead last November — appears to be appears to be a second of the second of t undergoing a recovery worthy of Lazarus.

Whether, however, the Brazilwhether, however, the Brazi-ian public is watching a joyous New Testament miracle or a doom-laden Old Testament catastrophe remains very much

in the eye of the beholder. Either way, it is appropriate that one of the chief agents for the apparent improvment in the President's political fortunes is an obscure evangelical deputy elected largely on the vote of the militant non-conformist sect, the Assembly of God.

Mr Mattheus lensen, a mem-ber of the Chamber of Deputies, has spent recent weeks tire lessly accumulating signatures for his amendment, aimed at ensuring the president a five-year term instead of the four years (giving elections next November) currently proposed by drafters of the new constitu-

in all seriousness, he justifies his case in suitably apocalyptic terms. The world is coming to an end and the difficulties of Brazil are the consequences of

shanty prayer halls, but they cut little ice among the hard men of Brasilia. How, then, has Mr lensen managed to gather an alleged 317 votes out of a total 559 to keep a debilitated presi-

The answer, as so often in Brazil, comes from a combination of factors and events.

A JOINT attack by Ford and

Nissan on Western Europe's utility four-wheel-drive market

President Sarney's struggle for a five-year term of office owes its recent popularity to a strange coalition of evangelism and politics, but the tide of public support for presidential elections this year may still prove too strong.

pleted in November, is a disas-

With the drafting committee dominated by left-wing nationalists, the document threatened to scare off vital foreign invest-ment and seriously inhibit entrepreneurial activity within the country through a series of highly idealistic labour provi-

Awakened from their slumber, centre and right-wing forces that hold a clear majority in the Congress rapidly joined to create the Centrao -the Big Centre - a new coalition of cross-party support. Since its formation, this group has proved able to defeat the left in a series to procedural votes, making way for wide-ranging changes in the final draft.

The second major change in Brazil are the consequences of that fact, not the fault of the president," is the basic gist of Mr lensen's argument.

Such views may be common in the religious fervour of the president was able to make his new finance minister. without consultations with the dominant Democratic Move-ment Party (PMDB) – itself deeply split into "progressive" left and Centrao right.

> The fact that his choice of Mr Mailson da Nobrega, a non-po-litical, career civil servant with highly orthodox views, has proved popular, appeared to both surprise Mr Sarney and

In the streets a growing sense of anger and frus-tration with the political establishment lend support to the view of many politicians that only the ballot box can create a government able to deal effectively with the cri-

assertion that he would now govern above party pressure. Last among the factors favouring his dream of a fiveyear term is the disarray of the alternative candidates. With at least six likely runners, the highly-divided PMDB is certain to have a further damaging blood-letting to find an even half acceptable nominee. Almost certainly the party will

split for good.

In addition, many politicians and economists – though by no means all – believe the costs to the economy of a new presiden-tial race would be disastrous as candidates use their budgets and connections to win votes through ever-higher public expenditure.

Every election campaign creates a huge surge in the public sector deficit," pointed out Pro-fessor Marcos Cintra Cavalcanti of Sao Paulo's Getulio Vargas business school last week.

One factor that will help the cast live in the world. First, a broad political con-sensus has emerged that the utopian draft constitution, com-ised, previously-undelivered tion of what were in effect Around the stadium, a chant three national budgets – fiscal, began: "Sarney out, Sarney money supply and state com-out."

pany expenditure - into one. Furthermore, future unbudgeted spending will have to be authorised by Congress, a wholly new measure of discipline and accountability.

However, these alone may prove insufficient instruments to contain a president not versed in economics and who himself may need to direct resources towards those who can deliver political backing.

Nevertheless, though Mr Sarney's fortunes have clearly improved since his November defeats, serious doubts remain defeats, serious doubts remain

defeats, serious doubts remain as to whether he can reverse the tide of public support for "Direct Elections Now." With January inflation expec-ted to hit 16 per cent, output stagnating and unemployment creeping up, many politicians argue that only the ballot box can quell public disaffection and create a government with the authority to tackle the cri-

Moreover, Mr Iensen's 317 signatures do not represent real voting intentions when the issue comes to the crunch, posissue comes to the crunch, pos-sibly in March, observers claim. More influential, it is argued, will be the opinion poils which consistently show large majori-ties for a presidential contest

In the streets, a sense of business school last week.

"If Mailson can deliver his highly orthodox and austere economic policy, then five years for the president is perhaps the best option...if he can haps the best option...if he can hap the best option...if he can haps the best option...if he can happen haps the best option...if he can happen haps the best option...if he can happen happen

deliver."

Such thinking is increasingly commonplace in Brazil. But so are the doubts as to whether the Government's purse strings ance of Tina Turner announced that the disc possession of the appearance of Tina Turner announced that the characteristics are the common of the common of the appearance of the common of the appearance of the characteristics. that the show was being broad-cast live to TV stations across

Spain is also the location for

Moscow to shed 20m jobs under Gorbachev reform plan

It was the latest indication of the vast number of job losses, affecting workers in loss-mak-ing factories as well as adminis-trators at national, regional and local level, that are expected to result from the reform proramme of Mr Mikhail Gorba

in all some 20m jobs are likely to be shed, raising tricky social and political problems for the Soviet leadership.

Mr Igor Prostyakov, deputy chairman of the government bureau for social development, told Pravda that the job cuts in the republics did not mean that unemployment, officially abol-ished in the Soviet Union in the 1930s, would be reintroduced. Those made redundant would be found jobs in other sectors of the economy, including

Mr Prostyakov said that the "unjustifiably large number of ministries" and the "manage-ment apparatus" had to be streamlined. "We estimate that

of those employed in the bloated Soviet bureaucracy vary, with the official figure put at between 17m and 18m. Mr Prostyskov said that there are 11.5m bureaucrats attached to enterprises and about 2.5m in the central government appa-

Over the past 18 months, several ministries, including those connected with agriculture and connected with agriculture and foreign trade, have been merged. Bureaucrats have frequently been criticised in the Soviet press for undermining Mr Gorbachev's plans for economic reform, by limiting the degree of autonomy granted to individual enterprises.

The central administration in Moscow has been ordered to cut

Moscow has been ordered to cut its staff by 100,000 by the end

has switched over to "self-financing", or paying its own way
and no longer relying on state
subsidies, has given rise to
widespread concern among
workers about their future.
Many enterprises are expected
to have to shed workers to stay
in business and Soviet officials
have warned that factories that
persistently make losses will be
allowed to go bankrupt.

lapse or nis empire mave grossly exaggerated.

Bundesbank
Perhaps the Bundesbank has
not heard of Goodhart's law,
which states that all one need
do is target a monetary aggregate to ensure that the aggregate will misbehave. There may
be perfectly good reasons,

persistently make losses will be allowed to go bankrupt. Earlier this week, the govern-ment announced the setting-up of a nationwide network of job placement centres, financed by responsible for finding new employment for those Isid-off in industry and arrange retrain-

workers have also been assured that they would con-tinue to receive their salaries for up to three months after being laid off. On the other hand, job loss usually means the automatic loss of factory-allocated accommodation.

Another problem is that while there is no shortage of work in the Soviet Union, job vacancies are largely in sectors and regions that have proved unattractive.

Western analysts estimate that there are 13m vacancies in the services sector and over 1m construction jobs available nationwide. But often these are in the remoter and least hospitable regions of the country, such as the north, Siberia and Soviet Central Asia. Persuading people in towns, with at least minimal shops and services, to move to hadly served outer. move to badly served outer regions is certain to prove diffi-cult.

"There is no shortage of jobs but the jobs and the people are not always in the same area, or the same sector," one diplomat

The Government has remained silent on the extent of compulsion that will be used to remove excess workers and bureaucrats. Administrators are certain to resent being moved if it implies the loss of substantial perks.

Continued from Page 1

ister, as well as by Arab states, which are also trying to make diplomatic capital out of the recent disturbances.

THE LEX COLUMN

BHP shakes off its admirers

THE SOVIET Union is to cut by nearly a half the number of bureaucrats in the country's 15 republics, the Communist Party daily Pravda reported yesterrestructuring except the com-pany's own shareholders. The deal ensures the continued independence of one of the world's largest mining finance houses, and has enabled its two major shareholders. Bell Resources and Elders IXL, to free a considerable part of their capital at a time when both capital at a time when both have more pressing financial commitments elsewhere. For an outlay of \$2.7bn BHP is reducing its share capital by around a fifth, has rid itself of two troublesome shareholders who effectively controlled the company's destiny, and has locked up control of nearly a fifth of its shares in a joint venture with Elders, which makes it virtually takeover proof.

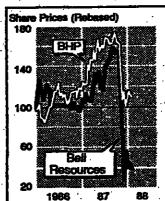
It is natural to feel sympathy for BHP's plight over the last few years and appreciate why it has seized the opportunity of last October's crash to end the disruptive influence of two of

disruptive influence of two of shift makes the bank look bet-Australia's most audacious ter: had it chosen M2 over entrepreneurs. But while "unjustifiably large number of ministries" and the "management apparatus" had to be streamlined. "We estimate that we will have to cut about 50 per cent of workers in republican ministries and agencies and 30-35 per cent at the regional level."

Estimates of the total number of those employed in the increased searing resulting increased gearing resulting from the need to borrow an extra A\$1.7bn to finance the restructuring, should improve BHP's profitability in the short-term. Longer-term, how-ever, BHP shareholders will need faith that their strength-ened top management team can make better use of BHP's A\$17.5bn of assets than in the

Of the two outgoing share-holders, Elders IXL appears the clearcut winner. It has freed A\$1.6bn of cash which will come in handy to offset the increased gearing resulting from its New Zealand Forest Products venture. Mr Robert Holmes a Court's Bell Resources, by contrast, has failed to realise one of its lifef this year.

long ambitions — control of lurch on Wall Street was fol- 145p look unaccountably high,
The economic restructuring Australia's biggest company. lowed yesterday by a positively it must also make it difficult cent of the country's industry has switched over to "self-fin-lapse of his empire have have have



though, for shifting the policy focus from central bank money stock (CBMS) to M3. The for-mer has been distorted by the heavy burden of intervention borne by Frankfurt, while M3 is better known internationally. ter: had it chosen M3 over CBMS last year, the target would have been met not missed. In such circumsta moving the goalposts must be

quite a temptation.

Mr Pöhl made it clear yesterday that the change meant nothing for interest rate policy, but one can be forgiven fo thinking that he protested rather a lot. In theory, at least, the shift should give him more flexibility to respond when Washington grumbles about German tight-fistedness: last year, MS grew by two percent-age points less than CBMS, and it is difficult to avoid the conclusion that monetary pressure on interest rates will be less under the new regime. That does not mean that interest rates will fall tomorrow; it just means that the chances of a cut are greater than they were the day before yesterday.

Markets

. There is a tone of surprising optimism to the equity market just at present. Tuesday's ugly lurch on Wall Street was folpoor set of UK bank lending figures, and the FT-SE100 ended the day only six points down. This seems largely due to a marked change in thinking on interest rates. A week ago, the majority view was that the nacy – in attempting to escape next move would be up, and probably soon. No-one now bidder. However, the details of

economic activity. On top of this week's data on retail sales and industrial production, yes-terday also brought the flash figure for consumer spending in last year's fourth quarter, showing almost no rise on an adjusted basis from the quarter before. There is no sign yet of the authorities relaxing their vigilance on overheating, but the renewed weakness of the dollar alone would make a rise dollar alone would make a rise in rates a risky business in the

short run.
The optimist points to the fact that there has been a cut in base rates immediately after the Budget in every year since 1981. It would hardly be surprising, though, if this year proved different; for ten years out of the last thirteen there has been a first quarter rally in equities, and there is no sign of that yet either. Granted, every day the institutions do not buy means another day's cash flow piling up in the coffers, but fund managers can scarcely be blamed for staying liquid while Wall Street carries on behaving in such an extraordinary fash-ion. One way or another, there could well be a period of limbo between now and the Budget.

Tricentrol

If this week's asset valuation from Britoil seemed glowing, Tricentrol's version of what its own assets are worth looks pos-itively ecstatic. While both val-uations depend on the same enthusiastic view of oil and gas prices and use the same slim-line discount rate, Tricentrol's seems also to involve an ele-ment of double counting. The company appears to have allowed itself full PRT shelter on expenditure which it hasnot yet fully identified and accounted for. This may explain why, on even the most conservative assumptions about oil prices, the valuation is still well above the highest market

However, for Elf to maintain that the assets are worth less than 80p would seem to err in the opposite direction. Not only does the claim make its offer of for Elf to explain any decision to increase the offer to the 165p or so which may be needed to win. Tricentrol must be given

seems to expect a rise before its financing package do not the Budget, and there are optimists looking for a fall.

Bank lending apart, recent figures point to some cooling in they are still not complete.

The study, expected to take a year, is to investigate the supply to Ford of Europe by Nissan of a 4wd vehicle designed for the Europe and produced as Motor The Study Plant Study (See Study 1) and the Study Plant Study Plant Study (See Study 1) and the Study Plant Study Plant Study (See Study 1) and the Study Plant Study Plant Study (See Study 1) and the Study (See Study 1 cent-owned Spanish subsidiary. being made each year with half of these.

would consider prospects for "a low-volume, utility 4wd vehi-

Nissan and Ford study European venture

Ford said only that the study expansion in the near future set to double output. It is seen as a plant which makes a smaller rival to vehicles like the UK's Land Rover and Range Rover.

Nissan is estimated to have sold about 23,000 units in another joint venture company,

Nissan is estimated to have sold about 23,000 units in Western Europe last year out of a total market for utility 4wds of between 180,000 and 200,000 units. Spanish production, however, is estimated to have accounted for less than

ational vehicles in the US.

Ford UK faces all-out strike over pay

FORD MOTOR Company's the 1984 Trade Union Act. 32,500 manual workers in Britain have voted by a majority of more than 90 per cent to take industrial action over the the company for more talks on company's final three-year wage offer made before Christ-

Union officials warned that the vote would almost certainly lead to an all-out strike, should the company fail to make significant improvements to its offer, which includes proposals for sweeping changes to working practices.
The vote is one the highest

majorities for strike action recorded since secret pre-strike ballots were introduced under

Thursday.
The ballot, which was conducted after mass meetings on Wednesday, follows the most serious period of unofficial industrial action the company has faced since the late 1970s. The official result of the bal-lot, which drew a turn out of more than 85 per cent, will be announced next week, but offi-

cials of the main unions - the

the main Dagenham and Halewood plants had voted for strike action by more than 90 per cent.
In South Wales, 96 per cent of workers at the Brigend plant voted for action, and 97 per

cent of workers at Swansea.

Ford's offer is the most far-reaching ever made in the car industry. While many engi-neering company's have con-cluded two year deals, three-year agreements are still a rar-

AEU engineering union, and the per cent for 1987-88, followed fits, eventual harmonisation of Transport and General Work- by rises linked to the rate of the terms and conditions of ers' Union — said workers at inflation in the subsequent two blue and white collar workers,

years. Its original offer in October was based on a first year increase of 4.25 per cent. The company wants radical changes which would include the introduction of groups akin to quality circles, skilled men working on the production line, temporary workers to meet peaks in demand and skilled workers accepting semi-skilled

of interchangeable production Under its final offer, the company offered an increase of 6.5 ner cent for 1987-88, followed effits, eventual harmonisation of the company has offered improved pensions benefits, eventual harmonisation of the company has

workers as their supervisors. Group leaders would lead teams

UK monthly bank lending surges record £4.9bn

Continued from Page 1 fortable with base interest rates at around 9 per cent instead of their current 8½ per

likely to wait for more compre-hensive data on the post-October period before moving on base rates. December retail sales and, to a lesser extent, November's

The Government is, however,

industrial production figures appear to show economic activity slowing.
Signs of a slowdown were also indicated yesterday by the release of figures for consumers' expenditure in the fourth

quarter of last year.
The presently unsettled state of the equity market and the pound's steady value against the D-Mark are also important factors arguing against an imminent rise in base rates. The December rise in bank

lending compared with an average increase of \$3.6bn in the although the biggest increases previous six month period and came after a rise of \$3.2bn in areas.

Financial markets did not appear too concerned by the figures. The prices of gilt-edged securities fell soon after the data was released, but recov-ered those losses and ended

November, according to the Bank of England's preliminary estimates of monetary aggre-higher in December than a year ago and lending to property development companies more than 40 per cent up on a year ago. Advances to manufactur-ers and for transport were also well above previous levels, as was finance for consumption.

cent a year.
In December there were some unusual developments which lead to a contraction in broad money growth of £4bn in un-seasonally adjusted terms. Cap-ital raising totalling nearly £1bn had a contractionary effect on money supply.

The preliminary figures for consumers' expenditure show spending up 0.1 per cent in the

fourth quarter. The Central Statistical Office was finance for consumption.
The broad measure of money,
Suspicion that the bank lending figures were inflated by
"round tripping" — where companies make money by issuing commercial bills and depositing the funds with banks — were discounted by the Bank.

Details of lending by the biggest London and Scottish clearing banks, which accounted for a little more than 50 per cent of December's advances, indicated

was finance for consumption.
The Consumers expenditure growth of consumers expenditure with the banks, grew by the bank also depositing to the end of December, while the marks are the same period. Mo is currently the Government's only monetary target and it was forecast to growth of consumers expenditure reflected the slowdown in the rate of

council's legal implications, to ensure these are acceptable.

Soviet move on Middle East

Yesterday, President Mubarak of Egypt said he was about to announce an unspecifmonetary matters is not jeopardised.

This would be a very long make its agreement to Mr poll's representation conditional on a study of the new own currency and central bank.

This would be a very long swift action was needed in the light of events in the occupied territories. On Saturday, Arab League foreign ministers meet independent of governments and the EC Commission.

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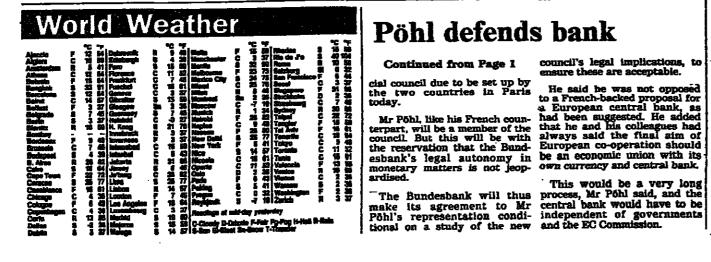
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US COMPUTER COMPANIES CONTINUE TO POST STRONG RESULTS

Amdahl jumps sharply ahead

AMDAHL, Data General and of analysts' forecasts and, in Prime have joined the ranks of BM's case, contained several ing sharply higher results, indicating the industry's health in the face of continuing stock market pessimism about the sector.

Weakness in high-tachnology stocks, particularly computer makers, has undermined the market in recent days with bouts of selling triggered by results from International Business Machines and Motorola Big profit increases from both years made the final nets of \$48.9 m from \$336.8 m.

Full-year operating net was \$142m, or \$2.74, compared with \$9.3 m, or \$1.24m, or \$2.74, compared with \$9.3 m, or \$1.282, against from \$131.3 m.

Frime, a minicomputer maker to be found evelopment on new products, recovery from last year's heavy losses caused by an expansion unjustified by subsequent demand. It turned in a net operating profit for the first quarter ended December of \$10.3 m, or \$2.7 m, or \$2.7 m, or \$2.8 m, o

Strong demand takes Motorola higher

BUOYED BY brisk demand for semiconductors, communications equipment and other electronics products, Motorola has turned in aharply higher fourth-quarter and full-year profits.

The results were at the low end of Wall Street estimates, however. Hotorola's net mofit for the courter. net profit for the quarter ended December almost doubled to \$102m or 79 cents a share from \$65m or

Dart Group tries again to buy retail chain

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(사 38년 - 요시 27년 - 구시 12년 - 사이 12년

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DART GROUP, the US retailer controlled by the Haft family of Maryland, has launched its of Maryland, has launched its fourth attempt to buy a leading US retailer by offering to purchase Boston-based Stop & Shop Companies for \$30 a share in cash, or \$837m.

In a letter to Mr Avvam J. Goldberg, chairman and chief executive of Stop & Shop. Dart said the price represented a 49 per cent member over Stop & Shop. It when bart first notified the company of its interest.

In recent; years the Hafts have bid unsuccessfully for Safeway, Supermarkets General and Dayton Hudson, dronning the Dayton offer.

dropping the Dayton offer after the October market

Dart holds less than 5 per cent of Stop & Shop. It said it planned to combine the operations of Stop & Shop with its own New Stop &

Shop unit.

It plans to raise some financing through PaineWebber, which has said it is confident it can arrange the remaining financing required to com-plete the transaction.

In the letter, the Hafts said

terms of the offer were nego-tiable. They requested a meeting with Stop & Shop's management and board to reach a definitive agreement. Yesterday, Stop & Shop. whose shares rose \$3 to \$29% in early trading, said its board would review Dart's

The company said Dart had asked it to exercise its option to remove barriers to the deal under the Massachusetts anti-takeover laws and to eliminate "poison pill" defen-aive rights.

In the letter, the Hafts said they will continue Stop & Shop's current policies regarding employees and management, and will retain existing management. The company also said it plans to offer management and other key employees the opportunity to have an ownership interest in New Stop & Shop.

49 cents a year earlier.
Full-year net was \$300m or \$2.39 a share against \$100m or \$1.58.

Revenues rose 14 per cent in the quarter and the year to \$1.85bn and \$6.71bn respectively, from \$1.62bn and \$5.50bn a year earlier.

Net profit margins on sales expanded to 5.5 per cent in the quarter from \$.8 per cent a year earlier and to 4.8 per cent in the year

from 3.3 per cent.

Mr Robert Galvin, chairman, said: "Our core businesses are fundamentally sound. They can grow not only in absolute terms, but in market share as well. We have already benefited throughout the world from the lower dollar. We have seen some improvement in access to markets in Japan."

Fourth-quarter sales and

equipment were records while demand for other products was the highest of the year.

Sales of Motorola's semi-

sales of Motorola's semi-conductor segment rose 21 per cent to \$2.19bn during the year and operating prof-its more than doubled to \$171m from \$81m. New orders rose 29 per cent and the order backlog grew 31 per cent.

Top Pan Am executives ousted subject for the company at more than \$80 a share. Although no counterbidder had emerged, Roche apparently wished to complete the complete the complete the counterbidder.

PAN AM, the troubled US international airline, yesterday ousted its chairman and deputy chairman in a boardroom shakeup which is likely to lead to a financial restructuring package within the next few weeks.

Yesterday's removal of Mr Edward Acker, chairman and chief executive, and Mr Martin Shugrne, vice-chairman and chief executive, and Mr Martin Shugrne, vice-chairman and chief executive, which is likely to lead to a financial restructuring package within the next few weeks.

Yesterday's removal of Mr Edward Acker, chairman and chief executive, and Mr Martin Shugrne, vice-chairman and chief executive.

chairman is a boardroom shakeup which is likely to lead to a
financial restructuring package
within the next few weeks.
Yesterday's removal of Mr
Edward Acker, chairman and
chief executive, and Mr Martin
Shugrne, vice-chairman and
chief operating officer, was a
key condition isid down by Pan
Am's union leaders in return
for negotiating pay concessions

Am's union leaders in return for negotiating pay concessions with the airline's board.

The two executives, who have been embroiled in years of boardroom and labour control. Am's unions, which now appear versies, are being replaced by to hold the key to the airline's because the properties of the unions, represented former executive of Three of the unions, represented.

Recent negotiations with potential investors in Pan Am, including Mr Kirk Kerkorian and the Pritzker family of Chicago, have foundered partly because of disagreements between Mr Acker and Mr Shurgrae.

Air Freight and says it is leading a group to buy about 5 per cent of the parcel carrier.

Towers said it was part of a joint venture with senior air freight industry leaders who would present a detailed restructuring plan for Emery.

Nedlloyd defends Fl 175m share plan BY KEVIN BROWN IN LONDON AND LAURA RAUN IN AMSTERDAM

NEDLLOYD, the diversified. The statement said the pref- wegian businessman leading the day issued a lengthy defence of placed by four Dutch institutions, would carry a total of the company regards the issue of preference shares, and only 120 votes, producing denied its strategy was aimed immaterial dilution of exist.

Mr Henk Rootliep, Nedlioyd at preventing a hostile takeover ing shareholders rights.

issue of preference shares, and only 120 votes, producing denied its strategy was aimed immaterial" dilution of existing shareholders rights.

The issue, which must be approved by a shareholders meeting on Monday, is opposed by a shareholders meeting on Monday, is opposed by a group of Norwegian investors who speak for about 10 per indicated that Nedlloyd was concerned about the future profits potential.

Mr Henk Rootliep, Nedlloyd chairman, said he was confident that the strategy would be endorsed by the shareholders meeting, But analysts said the statement indicated that Nedlloyd was concerned about the impact of Mr Hagen's criticisms.

Gould takes \$115m charge in quarter BY OUR FEMANCIAL STAFF.

GOULD, the Illinois-based electronics group, is to take a fourth-quarter charge of \$115m a contract to supply heavy-on discontinued operations and has agreed to sell its Ocean Systems torpedo unit to Westinghouse Electric for \$100m. Net earnings from continuing operations for the 1987 fourth quarter are expected to be well above the 12 cents a share

Union Pacific edges ahead to \$139m

- BY OUR NEW YORK STAFF

INION PACIFIC, the large US railroad, energy and transport group, yesterday reported an 8 per cent rise in net income to \$1.59.8m or \$1.23 a share in the fourth quarter, on a small decline in revenue to \$1.53bn.

Net income from continuing operations for the year was \$560.1m or \$4.90 a share,

aided by dollar fall

BY OUR NEW YORK STAFF

CATERPILLAR, the leading US manufacturer of earth-moving equipment which has been widely identified as one of the biggest beneficiaries of the devaluation of the dollar, reported surging profits by the call surging profits with the latest only moderate growth in physical sales volumes.

The company also admitted to suffering from product short-ages which limited sales of 2. The company also admitted to suffering from product short-ages which limited sales of 2. The company also admitted to suffering from product short-ages which limited sales of 2. The company also admitted to suffering from product short-ages which limited sales of 2. The company also admitted to suffering from product short-ages which limited sales of 2. The company also admitted to suffering from product short-ages which limited sales of 2. The company also admitted to suffering from product short-ages which limited sales of 2. The company also admitted to suffering from product short-ages which limited sales of 2. The company also admitted to suffering from product short-ages which limited sales of 2. The company and an unrealized foreign exchange loss on yen-denominated each.

Full-year net profit was bosted by a share, and an unrealized from 275.28 a share, including a \$32.3m from a \$279.1m or \$4.63 a year earlier. The 1986 profit was boosted, however, and an unrealized foreign exchange loss on yen-dehominated each.

Full-year net American Air theourity data strike, bad weather a threatened strike, bad weather a threatened strike, bad weather a threatened strike, bad weather and an unrealized for son an unrealized foreign exchange loss on yen-dehominated each.

Full-year net american Air threatened strike, bad weather a threatened strike, bad weather and an unrealized for son yen exchange loss on yen-dehominated each.

Full-year net american Air threatened strike, bad weather and an unrealized foreign exchange loss on yen-dehominated each of threatened strike, bad weather and an unrealized for son an unrealized for a share. The 1986 profi

Caterpillar rebound | AMR suffers small fourth-quarter loss

BY OUR NEW YORK STAFF

Roche lifts Sterling Drug offer to \$4.65bn

P. HOFFMANN-La Roche, the r. HOFFMANN-LE ROCKE, the large Swiss pharmaceuticals group which is pursuing Ster-ling Drug of the US, yesterday increased its offer for the New York company for the second time in a week, to \$81 a share or \$4.65 km or \$4.65bn.
The new offer, \$5 a share bet-

ter than last Monday's bid and \$9 - or more than \$500m above the original offer on Jan-uary 5, impressed Wall Street and analysts said the Swiss group should capture Sterling Drug at this level. Stock in the US group rose \$2% to \$78% yesterday morn-ing.

ng. The New York-based company, which had sales of \$1.99bn in 1986, has repeatedly stated it wishes to remain inde-

Sterling Drug vigorously rebuffed Roche's earlier offers while it sought higher bids rom friendly companies in the chemicals and pharmaceuticals

ndustries. The group revealed this week that it had offered Morgan Stanley, its investment banker, substantial incentives if it wished to complete the acquisi-tion as soon as possible, ans-lysts said.

and boardroom representation.

However the boardroom wish to bid for Pan Am, has shakeup also raises other possibilities for a financial rescue.

Air Freight and says it is lead-

BankAmerica declines after special charges

BANKAMERICA, the second largest US bank group, reported net profits of \$80m or 27 cents a share in the fourth quarter, a share in the fourth quarter, large cent down on the year-large cent down on t On Third World loans, Bank of 1986. a share in the fourth quarter, accounting policies of the major 27 per cent down on the yearearlier level of \$82m or 44 the more conservative practices of its California rivals, and The decline in profits was refrain from adding to its pro-

and \$371m in the last quarter

Its primary capital ratio improved to 8.37 per cent from 6.92 per cent at the end of 1986, but the ratio of equity to assets fell to 3.6 per cent from

of its California rivals, and refrain from adding to its provisions.

The decline in profits was partly due to special charges connected with about 5,000 staff cuts and other restructurings planned for 1988. Without these and other non-recurring items, net income in the last quarter would have been \$100m.

For 1987 as a whole, Bank America lost \$955m or \$6.43 a share, against a loss of \$518m or \$3.74 in 1986. Most of the 1987 loss was due to reserves established in the second quarter were \$128m, compared to 3.6 per cent from 3.9 per cent.

Bank of Boston reported a loss of \$41.4m or 21 cents a share in the fourth quarter compared with a profit of \$6.48 m or \$1.03 a year earlier. The loss was due to a charge of \$200m to boost the bank's Third world loss reserves.

For 1987 as a whole, the bank made net profits of \$19.7m or improving the quality of the 1987 loss was due to reserves established in the second quarter were \$128m, compared with a profit of \$200m to boost the bank made net profits of \$19.7m or improving the quality of the 1987 loss was due to reserves established in the second quarter were \$128m, compared with a profit of \$200m to boost the bank made net profits of \$19.7m or improving the quality of the 1987 loss was due to reserves established in the second quarter were \$128m, compared with a profit of \$282m in 1986. Without the LDC provisions, Bank of Boston reported a loss of \$41.4m or 21 cents a share in the fourth quarter compared with a profit of \$6.48m or \$1.03 a year earlier. The loss was due to a charge of \$200m to boost the bank's made net profits of \$19.7m or improving the quality of the compared with a profit of \$282m in 1986. Without the LDC provisions, Bank of Boston reported a loss of \$41.4m or 21 cents a share in the fourth quarter compared with a profit of \$6.48m or \$1.03 a year earlier. The loss was due to a charge of \$200m to boost the bank's made net profits of \$282m in 1986. Without the LDC provisions, and the fourth quarter with a profit of \$44.4m or 21 cents a share in the fourt

Buoyant GE advances by 19%

BY OUR NEW YORK STAFF

The group, which has been consolidating its manufacturing businesses and investing aggressively in high technology and financial services, said sales were \$12.03bu in the

GENERAL ELECTRIC, the big US industrial and services group, yesterday reported a 19 from the \$12.27bn in the 1986 sales from the \$12.27bn

than offset by restructuring said the group ended the year with cash of \$2.8bn, and a ratio For the year, earnings rose 17 of debt to capital of 25 per per cent to \$2.91bn or \$3.20 a cent.

Alcoa expects recovery to continue

BY OUR NEW YORK STAFF

ALUMINUM COMPANY of America, the world's largest producer of aluminium, yester-day reported a dramatic improvement in sales and earnings for the 1987 fourth quarter and predicted a continued share.

Sales in the latest quarter of 1986.

Special gains increased the 1986 figure to \$165.3m or \$1.93 semi-fabricated products and rising prices, writes Robert were up 24 per cent at \$1.44bn. recovery this year.

cents before special gains in the last quarter of 1986.

Special Control of 1986.

Meanwhile, Canada's Alcan Aluminium reported sharply higher carriers. ALUMINUM COMPANY of share, against just \$27.1m or 31

were up 24 per cent at \$1.44bn,

recovery this year.

Alcoa, which is enjoying its best performance since the late 1970s because of sharply higher ingot prices, reported net income for the December quarter of \$132.8m or \$1.50 a were up 24 per cent at \$1.44bn, with a 13 per cent increase in tonnage shipped.

For the year, Alcoa reported cents a share, up from operating net profit of \$58m or 33 and gains of \$365.8m or \$4.14 a cents a year earlier. Revenues share against \$125.8m or \$1.45 increased to \$1.89bn from \$1.5bn.

January 19, 1988

Alexander & Alexander Services Inc.

has sold its wholly-owned subsidiary

Sphere Drake Insurance Group Public Limited Company

Sphere Drake Acquisitions (U.K.) Limited

a company formed by

Centre Capital Investors L.P. The Dai-Tokyo Fire & Marine Insurance Co., Ltd. Electra Investment Trust P.L.C. John Head & Partners LP Sphere Drake Management Partners

The undersigned assisted in the negotiations and acted as financial advisor to Alexander & Alexander Services Inc.

Salomon Brothers Inc

One New York Plaza, New York, New York 10004 Atlanta, Boston, Chicago, Dallas, Los Angeles, San Francisco, Zurich. Atliliates: Frankfurt, London, Tokyo. Member of Major Securities and Commodities Exchanges.

Société Générale wreathed in legal fog

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The Sanwa Bank, Limited

The Tokai Bank, Limited

CIC-Union Européenne, International et Cie (London Branch)

Facility/Tender Panel Agent Morgan Grenfell & Co. Limited



Highlights from the Consolidated interim results to 31 December 1987

	Six months to 31.12.87 Rm's	Six months to 31.12.86 Rm's
Profit before taxation	160.8	121.9
Profit after taxation	138.9	94.1
Profit attributable to ordinary shareholders	137.3	91.1
Ordinary dividends	44.8	36.9
Earnings per share	1,862 cents	1,236 cents
Dividend per share	600 cents	500 cents

Profits attributable to ordinary shareholders included a special non-recurring dividend of R36.8M from Rustenburg Platinum Holdings Limited arising from the flotation of

Interim Dividend No. 124 of 600 cents has been declared payable to shareholders registered on 5 February 1988. Date of payment will be 7 March 1988. (Currency conversion date 22 February 1988). Holders of share warrants to bearer should attend to the terms of a notice to be published late in February 1988.

The full interim report will be posted to shareholders and copies can be obtained from the London Secretaries, Barnato Brothers Limited, 99, Bishopsgate, London EC2M 3XE.

THE FINANCIAL TIMES PROPOSES TO PUBLISH THE FOLLOWING PROPERTY **SURVEYS IN 1988.**

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Guaranteed Floating Rate Notes due 1992 Ente Nazionale Idrocarburi

In accordance with the terms and conditions of the Notes, the rate of interest for the interest period January 22, 1988, to April 22, 1988 has been fixed at 64% per annum. Interest payable on April 22, 1988 will be ECU170.62 per Note of ECU10.000.

Morgan Guaranty Trust Company of New York London Branch

THE DRAMATIC attempt by Mr Carlo De Benedetti, the Italian businessman, to gain effective control of Société Générale de Belgique, Belgium's largest company, entered a new period of legal uncertainty yesterday after two apparently contradictory rulings on the tactics employed so far.

Stock market analysts and other observers attached most significance to a statement late

other observers attached most significance to a statement late on Wednesday from the Belgian Banking Commission, clearly commercial court has a clear endorsing the move by the Société Générale board, headed by Mr Rene Lamy, earlier in the week to issue new shares to friendly investors and thus dilute Mr De Benedetit's stake in the company. Mr De Benedetit speaks directly or indirectly for 18.6 per cent of Société Générale and has announced his intention to make a partial offer for the recommendation made in its annual report, to the effect that rest.
Société Générale's use of authorised capital as a "poison be used during the course of a share stakes in other businesses pill" defence against the bid takeover, Société Générale's covering most major industrial

action was permissable "because the Cerus offer is not yet formal."

A spokesman for Societé Générale claimed yesterday that the Banking Commission statement "shows that we were in the right all along" and indicated that moves would now be made to overturn the commercial Court's two decisions. He added that some shares had already been placed with new shareholders "in Europe, Asia, and North America," but that and North America," but that moment "in line with what the ladge has said."

Société Générale emphatically denied speculation that "new shares had been issued to companies belonging to our group."

Mr De Benedetti's attack has sent shock waves through the Belgian political and financial

ar De Benecetti a attack has sent shock waves through the Belgian political and financial establishment since Societé Générale plays a pivotal role in

Mr De Benedetti explained earlier this week that he would be happy to end up with about 25 per cent, but only after sell-ing back some of his holding to Belgian shareholders who would support his strategy and



Rene Lamy: facing

he would be able to exercise effectively control over Sociéeté Générale.

Norway to extend bank probe

By Karen Fossii in Oslo

NORWAY'S BANKING, Insurance and Securities
Commission, which is to further probe the accounts of
Den norske Creditbank
(DnC), said yesterday that
it will also investigate several other Norwegian banks. eral other Norwegian banks. DuC, the biggest bank in Norway, stunned the Oslo financial community on Wednesday with the announcement of NKrl.5bn (\$236.9m) of losses for 1987 and the resignation of its chief executive. The announcement was the direct result of the first phase of the commission's phase of the commiss investigation into DuC.

The commission's report made direct references to mismanagement of the bank and a lack of internal con-trols. The commission said that at least four to five other "medium-sized" Nor-wegian banks were also to be investigated for heavy losses which they incurred on securities transactions.

Norway's two other banks, Christiania and Bergen Bank, were described by the commission as "fair-ing well" based on information which it obtained during recent investigations.
As a result of the DnC loss disclosure, Norway's banks are being closely watched by the rating agencies and in some cases have been downgraded. The DuC affair has also

given rise to speculation that more heads in the bank that more heads in the bank are set to roll. Mr Ragnor Halvorsen, DnC's board chairman, said yesterday that he would ask the bank's '45-member supervisory board to determine if board members, including himself, should also resign. A special committee is to be appointed by the advisory board to evaluate this possibility and recommenpossibility and recommen-dations will be made by the middle of next month. DnC shares have fallen by more than a tenth on the Oslo

bourse this week, trading yesterday at NKr104.

An official of the Norwegian Bank Association emphasised the solidity of Norway's banks, which he said were still years strong said were still very strong. "They are able to meet their 6.5 per cent reserves requirement", he said.
The NKrl.5bn loss which

The NKrL-50n loss which DnC expects to unveil for 1987 compares with net profits in 1986 of Nkr327m. The bank will not pay a dividend for last year.

The reverse follows losses of about NKr800m on seculiar temperations.

Printemps lifts Redoute stake

AU PRINTEMPS, the big French department store group, has increased its shareholding in La Redoute from 20 per cent to 32.09 per cent, writes Our Financial Staff.

La Redoute, the largest mail order, company in

mail order company in France, has long been a stock market takeover favourite. Societé Générale, the banking and financial group, holds 14.43 per cent.

Centre Re offers 'finite risk' reinsurance

Bermuda-based company with the capacity to do more than

Centre Re represents a new departure in the international reinsurance market, in which insurance companies lay off their risks by buying protection against losses which they could not take themselves.

It intends to start operating immediately, offering what Mr Steven Gluckstern, its presi-dent, calls "finite risk" reinsurance. Based mainly in Hamilton Bermuda, it will provide reinsurance protection for big insurance companies seaking the billionaire US investor, as

The company completed a private piscement of its shares on Wednesday, with Morgan Guaranty, the investment bank, acting as financial advisor. The other principal organisers were Mr Gluckstern and Guy Carpenter, the world's biggest reinsurance intermediate a subsidiary ance intermediary, a subsidiary of Marsh & McLennau, the

nsurance broker. The investors include the Zurich Insurance Company, Kemper Reinsurance, the Han-nover Reinsurance Company of West Germany, and Morgan Portfolio Corporation, a subsid-iary of J.P. Morgan, the invest-ment bent

It has taken more than six months to create Centre Re, partly because of widespread insurance industry scepticism about the venture's underlying concept and its value to rein-surance buyers at a time when reinsurance is becoming cheaper and more easily avail-

Centre Re's organisers invited 22 leading US property/casu-alty insurers to subscribe for shares in a private placement last May, but only one, the Kemper Group, agreed to do so, Mr Gluckstern said.

The background to behind Centre Re is that in the mid-

A GEOUP of institutions including two big European insurers transfer," Mr Gluckstern added for Berkshire Hathaway, Mr hit by huge losses arising mainly from the US – the traditional reinsurance market's private placement of its shares capacity contracted drastically Buyers were unable to find what are called "working lay-ers" of basic reissurance cover. Mr Gluckstern said Centre Re

would aim to provide buyers with "working layers," but it would set a fixed limit on its own liabilities to pay claims.

This limit would rarely be more than twice the premiums and by the working work to be provided to the premiums. paid by the reinsured company, Mr Gluckstern said.

But the result would be that Centre Re would be able to offer a stable source of reinsurance cover throughout the cyclical up-and-downs of the reinsurance business, Mr Gluck-stern said.

Havas expects

HAVAS, the leading French advertising and communica-tions group privatised last

year, expects to report a 26 per cent rise in net profits for 1987, on turnover up 14 per cent.

Group net profits, excluding minorities, are provisionally estimated at FFr530m (\$94.4m) to FFr540m, or FFr42 to FFr43 a share, compared with FFr425m or FFr34 in 1986.

were up an estimated 34 per cent at FFr350m to 360m, excelling the 20 per cent growth forecast at the time of the group's privatisation in May last year.

Havas forecasts a further 20

26% growth

in profits

By Our Paris Staff

French tugboats change hands

FRANCE'S LEADING tugboat operator is to change hands.
Societe Provencale de Gestion Maritime (Progemar), which the second warket. For the next 15 already acquired Magasins the market, but the second market, for the next 15 already acquired Magasins the second progenity of the second progenity Maritime (Progemar), which handles two-thirds of all port tug operations in France with a fleet of 50 vessels, as well as running a fleet of 2,000 buses on land, is to pass into the control of Compagnie Francaise
d'investissements et de Transports (CFIT).

CFIT has agreed to acquire a

25.4 per cent family stake in

Embatacu va at ambitots
expansion programme. After
years of deficits in the mid1980s it is profitable again.

Backed by Elysees Investissements, the financial house

Progemar shares at FFr165.
Progemar's annual turnover

is more than FFr1bn (\$178.6m), a Brittany-based ferry comdouble that of CFIT, which has pany, and a majority stake in embarked on an ambitious Someport, the forwarding

largest warehousing group in the country, Emeraude Ferries,

The company, headed by Mr Pierre Legras, now intends to expand into West Germany.

Mexico securities chief quits

BY OUR MEXICO CITY CORRESPONDENT

MR LORENZÓ Peon Escalante, President of the Comision Nacional de Valores, Mexico's equivalent to the Securities and Exchange Commission, resigned this week as head of Mexico's

volatile stock market. His successor is Mr Patricio Ayala, a lawyer who recently completed 10 years' service as Mexico's representative at the Inter-American Development

DANSKE SUKKER, the Danish sugar refiner, increased earnings to DKr125m (\$19.6m) from DKr36m for the six months ended December 1987. It

expects to improve earnings for the full year from last year's DKr171m, according to an interim statement.

marks the end of an exception-ally turbulent year which saw for setting up the stock the Mexican exchange grow exchange in 1975. more than 329 per cent in dol-lar terms and then lose as much "The financial authorities

Danish sugar refiner earnings rise

Exchange Commission, resigned this week as head of Mexico as 75 per cent of share value in the financial authorities as 75 per cent of share value in the final quarter of the year.

In financial circles, Mr Ayala the stock market through consisted 10 years' service as Mexico's representative at the final quarter of the year.

In financial circles, Mr Ayala the stock market through consistency what can or cannot happen on the stock market through consistency what can or cannot happen on the stock market through consistency what can or cannot happen on the stock market through consistency what can or cannot happen on the stock market through consistency what can or cannot happen on the stock market through consistency what can or cannot happen on the stock market through consistency what can or cannot happen on the stock market through consistency what can or cannot happen on the stock market through consistency what can or cannot happen on the stock market through consistency what can or cannot happen on the stock market through consistency what can or cannot happen on the stock market through consistency what can or cannot happen on the stock market through consistency what can or cannot happen on the stock market through consistency what can or cannot happen on the stock market through cannot happen on the stock market happen on the stock market happe

The company said the expected advance for the year would reflect lower extraordinary expenses. Actual operating profits would be lower than last year's DKr392m following incomes and expenses. The a poor beet harvest, which was 25 per cent short of what producers reckon to get out of an

per cent improvement in operating profits in 1988. In addition, FFr180m of exceptional profits are expected in 1987, compared with FFr161m recorded in 1986.

The friendly shareholders The friendly shareholders selected before the privatisation by the Finance Ministry, joined by the state-owned insurance group, UAP, have raised their combined stakes in Havas to more than a third of its capital. Along with the blocked shares held by group employees, this "hard core" new controls 35 per cent of the company's shares.

Havas' small shareholders have proved less loyal, how-ever. By the end of December more than half of the 732,000 who received three shares each in the May offer for sale had

NOTICE TO WARRANTHOLDERS OF

JAPAN COATED PAPER MFG. CO., LTD.

U.S. \$25,000,000 2% per cent. Guaranteed Notes due 1991

with Warrants

NOTICE IS HEREBY GIVEN in accordance with Clause 4 (F) (iii) of the Instrument by way of deed poll dated 12th August, 1986 made by JAPAN COATED PAPER MFG. CO., LTD. (the "Company") in connection with its issue of bearer warrants ("Warrants") to subscribe up to ¥3,920,000,000 for Shares of common stock of the Company and Condition 11 thereof that, subject to the shareholders of the Company so resolving at the annual general meeting to be held on 29th January, 1988, the Company will change, with immediate effect from such date, its financial year-and from 31st October to 31st March. As a transitional measure, the Company will have a 5-month financial period from 1st November, 1987 until 31st March, 1988 and thereafter its financial year will be from 1st April until 31st March of the following year.

Accordingly, the record dates for the payment by the Company of annual cash dividends and interim dividends (being a cash distribution pursuant to Article 293.5 of the Commercial Code of Japan) will become 31st March and 30th September in each

The Dividend Accrual Period will henceforth be the 5-month period from 1st November, 1987 to 31st March, 1988 and thereafter each 6-month period ending on 31st march, soos and treverses each year. Except for the change in the Dividend Accrual Period, the Terms and Conditions of the Warrants shall remain unmodified and with respect to any annual cash dividend or interim dividend payable on the Shares issued upon exercise of Warrants, such exercise shall be deemed to have taken effect at the beginning of the Dividend Accruel Period in which it occurs.

If the resolution in question is not passed a further notice to that effect will be published.

JAPAN COATED PAPER MFG. CO., LTD. Nobubiko Sao

22nd January, 1988

President and Representative Director

NOTICE OF REDEMPTION To the Holders of

General Electric Credit International N.V.

11% Guaranteed Notes Due 1991 (guaranteed by General Electric Capital Corporation) The foregoing Corporations are efficient of General Electric Company, U.S.A. (General Electric Capital Corporation was former! known as General Electric Credit Corporation)

MODING BY HEREBY GIVEN that pursuant its fire provisions of Soction 6 of the Fiscal and Paying Agency Agreement, dated as of February 15, 1984, emong General Electric Credit International N.V., General Electric Capital Corporation, as Guarantor, and The Chase Marhattan Bank (National Association), as Fisical and Paying Agent, and paragraph 5(s) of the Terms and Conditions of the above-mentioned Notes (the "Notes"), still of the Alces will be redeemed on February 15, 1988 (the "Redeemption Delet") at the price of 191.50% of their principal amount (the "Redeemption Price"), therest due on the Redemption Delet will be paid in the usual manner. On and after the Redemption Delet will be one created the Redemption Price plus interest accrued on the Note to the Redeemption Delet Interest on the Notes shall be to receive the Redemption Price plus interest accrued on the Note to the Redeemption Delet Interest on the Notes shall cause to accrue from and after the Redemption Delet. Payment of the Redemption Price will be make upon presentation and summander of the Notes, together (in the citie of better Notes) with all appurement coupons maturing authorquent to the Redemption Delet. It are any of the paying agencines listed below. In the west arm such unmatured coupons field to be presented, the amount of the Redemption Price.

Coupons which shall have matured on or prior to the Redemption Date should be detached, presented, and surrendered for payment in the usual misraner.

Payment on any Note mean within the United States, including by translar to a United States dollar account maintained by the payse with a bank in The City of New York, many be subject to reporting to the United States internal Revenue Service (RSS) and to back up withholding of 20% of the gross proceeds (including premissented accrease internal) after payins talk to provide the paying agent with an executed IRS Form W-6 in the case of a U.S. person. No such beckup withholding within executed IRS Form W-6 in the case of a U.S. person. No such beckup withholding within required in the case of a U.S. person. No such beckup withholding within required upon the IRS Form W-6 in the case of a U.S. person in case of presentation of bear with Notes for reddingtion with a paying signer custains of New York. New York, if payment is made outside the United States, Information resporting to the IRS will only be required upon auch payment, made outside the United States if made to U.S. persons in cartain circumstances. Those U.S. indicars who are required upon the U.S. persons in cartain circumstances. Those U.S. indicars who are required to provide their correct targeter identification number on IRS Form W-6 and who last to do so may also be subject to an IRS pensity of U.S. \$30. Accordingly, piesse provide any appropriate cartification when presenting the Notes for payment.

GENERAL ELECTRIC CREDIT INTERNATIONAL N.Y.

INTL. COMPANIES AND FINANCE

Chris Sherwell explains how the 'big Australian' shook off its predators

Market crash helps BHP shed its shackles

IT TOOK last October's crash in share market prices and 16 weeks of hard negotiation, but the remarkable tripartite deal settling the future of Australia's largest company was finally concluded at 5.15pm Melbourne time yesterday.

Looking relieved, Mr Brian Loton, the chief executive of Broken Hill Proprietary (BHP), immediately went before the country's print and broadcast media to announce the terms and began a round of interviews lasting deep into the night. IT TOOK last October's crash in

views lasting deep into the night.

The main message from what he said, and from the many broking analysts who were caught by surprise by the announcement, was that it ended years of instability in BHP's share register and dispelled much of the uncertainty surrouncement to group's future. Since 1983 the steel, petro-

Since 1983 the steel, petro-leum and resources group has been in the takeover sights of Mr Robert Holmes à Court, the Perth-based entrepreneur. His Bell Resources had built up a 28 per cent stake by 1986, and he made no secret of the fact that he wanted more.

A temporary peace pact was agreed in October of that year after Mr John Elliott's Elders IXL brewing and agribusiness group suddenly acquired 19 per cent of BHP. Although neither could increase its BHP holding without a takeover, it meant BHP was under the central of BHP was under the control of two unfriendly parties.

the arrangement, could scarcely yesterday's agreement, the

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- - -



A jubilant Brian Loton (centre), Robert Holmes a' Court (left) and John Elliott

match," he declared. "The tournament's over."

The real winner, of course, was the share market. Had it since October not plunged so far – hitting Mr. Holmes à Court's Bell empire more painfully than most – Mr. Loton would, have been in no position to secure this deal.

He knew that neither Mr telliott where – so the was for his more comfortable with a situation.

As for his met at will give him A\$ to total h take the total h cannot be more painfully than most – Mr. A\$4bn.

On the assum dream of owning shattered, he can ted to turn his is where – so the was the comfortable with a situation.

As for his met at will give him A\$ take the total h cannot be more painfully than most – Mr. A\$4bn.

On the assum dream of course, while the total h cannot be more painfully than most – Mr. A\$4bn.

On the assum dream of owning the cannot be more painfully than most – Mr. A\$4bn.

He knew that neither Mr. A\$4bn.

As for his more painfully than most – Mr. A\$4bn.

On the assum dream of owning the cannot be more painfully than most – Mr. A\$4bn.

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As for his met — A\$4bn.

As for his met — A\$4bn.

On the assum dream of owning the painfully than most — Mr. A\$4bn.

As for his met — A\$4bn.

Yesterday's agreement changes all that. Under its terms, both Mr Elliott and Mr Holmes à Court leave the BHP board and their shareholdings are reduced or altered in a way that leaves the group with a degree of latitude and stability it has long coveted.

Mr Loton, though reluctant to talk of winners and losers in the arrangement, could scarcely

conceal his delight at the outcome last night. "Game, set and match," he declared. "The tournament's over."

The declared of his stake in BHP to equivalent to about 23 per cent. The tournament's over."

Solution of his stake in BHP to equivalent to about 23 per cent. But it will ensure the stability of BHP, Mr Loton insisted yeswill give him A\$2.1bn cash and the structure. take the total he has realised since October to more than A\$4bn.

On the assumption that his dream of owning BHP has been shattered, he can now be expected to turn his attentions elsewhere - so the world is his oys-

Holmes à Court nor Mr Elliott were comfortable with a situation in which the dividends from their large holdings were failing to cover holding costs and the share prices of BHP, Bell and Elders looked like remaining weak.

That said, Mr Holmes à Court almost certainly bows out unresis less assistant as a super the whole transaction because its BHP holding was not really leading anywhere, particularly in the wake of the share market collapse. It was more like a protector.

More importantly Elders has wanted to get on with other things – its own suspended restructuring, called off after

is spending roughly A\$1bn, effectively to buy back shares in itself - a move which, in turn, will automatically increase its earnings per share. The other key feature of the deal concerns BHP's board. Mr Holmes à Court and Mr Elliott are being replaced by Sir Eric Neal, former chief executive of Boral and one of the country's

most talented corporate managers, and Mr David Asimus, the respected outgoing chief of the Australian Wool Corporation. On top of this, four BHP exec utives are being added to the board to make the total five out of 16. The addition of career professionals with line management responsibilities is expe ted to improve the group's deci-

but non-strategic investments

and assets to realise at least

As it is outlaying A\$2.1bn to Mr Holmes à Court and putting up A\$575m for the joint venture with Elders, this means it

sion-making administration. of its ownership. The company will not be a subsidiary of BHP, and control of it will ite with a The importance of this move cannot be underestimated. Analysts agree that BHP got itself into its bind in the first place at least partly because it failed to Elders has been motivated to enter the whole transaction distinguish adequately between the interests of its shareholders

and those of the board. Some also point out that since it became a share market football, its performance has actually improved, helped no doubt by the contributions of Mr Holmes à Court and Mr Ell-

More importantly Elders has wanted to get on with other things – its own suspended restructuring, called off after the crash, and more recently its acquisition of NZ Forest Products in New Zealand through Elders Resources. Under the deal, it will net about A\$ 1 bn. Now it has the chance to build on that - to combine its new-found latitude and strong cash-flows, to get on with its businesses and justify its posi-Because BHP will be retiring the 300m shares bought from own 200m shares in Elders (a pany. No one, however — not mer Holmes à Court, the 18 to 19 per cent stake held by the joint venture company will become deat, it will also be disposition. To be the selling its tion as Australia's largest company. No one, however — not even Mr Loton — is yet saying share, which—will yield the group is invulnerable to A\$700m. It will also be dispositive.

DnC

US\$300,000,000 FLOATING RATE SUBORDINATED CAPITAL NOTES DUE 1996

CAPITAL NOTES DUE 1996

Notice is hereby given to the holders of the above mentioned notes (the "Notes") of Den norske Creditionk (the "Bank") that, in accordance with the terms of condition 4 (d) of the Terms and Conditions of the Notes, the Bank has determined that, as from the Interest Payment Date falling due on February 24, 1988 (the "Conversion Date") all outstanding Notes shall be converted into an equal principal amount of Primary Capital Perpetual Floating Rate Notes (the "Perpetual Notes").

Upon the Conversion Date, unless delivery of the relevant Perpetual Notes is improperly withheld or refused, interest shall cease to acrue on the Notes called for conversion and the Notes shall become void for all purposes other than surrender in exchange for Perpetual Notes and the Bank shall have no obligation in respect of repayment of the principal thereof.

principal thereof. The Perpetual Notes will have no final maturity and will rank after all other subordinated debt of the Bank and in a winding up of the Bank will be treated as preference stares in the capital of the Bank.

The Perpetual Notes will bear interest from the Conversion Date and interest on the Perpetual Notes will be payable semi-annually in accears

on the Interest Payment Date in February and August of each year, commencing August 1988, at a rate equal to 0.15 per cent above the arithmetic mean of the London interbank offered rates for six-month Eurodollar deposits.

Notes for conversion should be presented and surrendered to the Paying Agents in London or Lumembourg, as shown on the Notes, on the Conversion Date with all interest coupons maturing subsequent to

Coupons due February 24, 1988 should be detached and presented for payment in the usual manner.

Outstanding as at February 24, 1988: US\$200,000,000.

(US\$100,000,000 has been purchased and cancelled by Den norske-Credithank).

January 22, 1988, London By: Cibbank, N.A. (CSSI Dept.) London, Principal Paying Agent

CITIBANCO

COMMUNAUTE URBAINE DE MONTREAL (MONTREAL URBAN COMMUNITY)

US\$50,000,000 FLOATING RATE NOTES DUE 1989

Bondholders are hereby informed that the rate applicable to the 8th period of interest has been fixed at 7.50% per annum.

The coupon No. 8 will be payable on the 20 July 1988 at the price of US\$379.17 representing 182 days of interest, covering the period as from 20 January 1988 to 19 July 1988 inclusive.



The Reference Agent

22 January 1988 .

U.S. \$60,000,000

Industrias Peñoles, S.A. de C.V.

Floating Rate Notes Due 1989

Interest Rate Interest Period

10% per annum 22nd January 1988 22nd April 1988

Interest Amount per U.S. \$10,000 Note due

U.S. \$252.78 22nd April 1988

Credit Suisse First Boston Limited

East Rand Proprietary plan to cut mine costs by one-third

BY KENNETH GOODING, MINING CORRESPONDENT

PLANS TO revive South Africa's – and possibly the world's – highest-cost gold mine have been outlined to European investors by East Rand Proprietary Mines.

The company is asking shareholders for more money to complete an expansion programme, which, it, says, will bring down the cost of recovering gold by Mr Clive Knobbs, the chairman, said that in December working costs of the mine, one

working costs of the mine, one of the most historic in South Africa, had come down slightly to \$540 a troy ounce of gold.

By 1992, when the Far East Vertical chaft causers has been as the state of the 11m issued shares.

Another 4 per cent of the 1986 rights issue was

By 1992, when the Far East
Vertical shaft system has been completed and the mine is reaping the full benefits, the cost will be \$333 an ounce in 1987 values.

This will put it in the middle rank of South African mines, but still well behind some of the negwer North American and the rights issue now protested and the rights issue now pro-

but still well behind some of the newer North American and Australian gold producers, whose costs are under \$250 an ounce.

In 1992, the East Rand Prohalder to held finance where the left in the property of the property of

Knobbs.

The recovery grade, which has already edged up from 3.4 idly falling gold price which cut grams of gold a tonne to 3.9 grams as the benefits from the expansion — 80 per cent completed — are already being felt, issue raised a further R47m and

PLANS TO revive South will improve to 4.08 grams by the company obtained a state-Africa's – and possibly the 1992.

In 1992, the East Rand Proprietary mine will be capable of producing more than 18 tonnes of gold a year, compared with the present nine tonnes, said Mr Knobbs.

The reserve and a which divided payments and 8 republic of the present nine tonnes, which divided payments and 8 republic div

Profits soar 90% to record at Investcorp

The 1986 rights issue was taken up in respect of 97.2 per cent of the issued capital, but Mr Knobbs can give no indica-

tion of the attitude of his mainly French shareholders

Standing in the wings to take control, should the rights issue flop, is Rand Mines, the mining arm of the Barlow Rand group, which owns 18.7 per cent of East Rand Proprietary and is underwriting part of the issue. This could take the Rand Mines shareholding in East Rand Proprietary to a maximum of 60

prietary to a maximum of 60

The remaining 40 per cent of the shares are being underwrit-

ten by First National Corporate and Investment Bank and subunderwritten in South Africa

per cent.

and Europe.

ARABIAN Investment Banking Corporation (Investcorp) increased 1987 net profit by nearly 90 per cent to a record \$28.8m and is paying a \$15m cash dividend to shareholders.

UNCONSOLIDATED NET earnings for Dai Nippon Printing in the first half-year, to the end of November, rose by 3 per cent to Y13.36bn (\$104m) from Y12.96bn a year earlier. Earnings per share were Y20.42, up from Y20.19.

Sales at Japan's largest printing company went up by 7.5 per cent, to Y408.09bn, from Y379.49bn in the same period of the previous year. The Bahrain bank's return on average assets rose to 5.9 per cent from 4.5 per cent in 1986, while the return on shareholders' funds fell to 22.9 per cent from 24.3 per cent.

Y379.49bn in the same period of the previous year.

Dai Nippon is not planning an interim dividend, because of a change to its fiscal year, which covers only 10 months this year. It paid Y5 a share for the previous year.

Revenue from the printing of and net earnings Y26.584n. The dividend represents a constant 15 per cent of paid-up share capital, but the payout rises from \$7.5m for 1986 because of a doubling of capi-tal.

This announcement is neither an offer to buy nor a solicitation of an offer to sell these securities.

The Offer is made solely by the Offer to Purchase and the related Letter of Transmittal and is not being made to, and tenders will not be accepted from, holders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction.

NOTICE OF OFFER

by AMERICAN MEDICAL INTERNATIONAL N.V.

To Purchase for Cash its

Zero Coupon Guaranteed Bonds Due August 12, 1997 at U.S. \$332.93 net per U.S. \$1,000 bond,

and its Zero Coupon Guaranteed Bonds Due August 12, 2002 at U.S. \$191.03 net per U.S. \$1,000 bond.

The purchase prices stated above are equivalent to the accreted value of the Bonds on March 4, 1968, plus a premium of 1442% on the 1997 Bonds and a premium of 1552% on the 2002 Bonds. If Bonds are accepted for purchase, payment will be made on or about March 4, 1968. Bonds will be accepted for purchase only if they have been voted in favor of certain Indenture amendments to be considered at Bondholders meetings noticed for February 11, 1968 or any adjournments thereof (the "Meetings"). The Offer is conditioned on approval of the ladesture amendments of both Indentures. The Deposit Certificate distributed in connection with the Meetings includes a proxy to vote tendered Bonds in favor of the proposed amendments. In the case of each issue, such amendments may be approved by the lesser of (a) a majority in principal amount of Bonds outstanding, or (b) 75% of the principal amount of Bonds represented and voting at a meeting at which a quorum is present. If a quorum is not present, the Indentures provide that adjourned meetings may be held (upon published notice) at which the quorum required would be 25% in principal amount of the Bonds.

If the Indentures for both issues are amendments will be accepted for purchase.

THE OFFER WILL EXPIRE AT THE CLOSE OF BUSINESS ON FEBRUARY 11, 1988 UNLESS EXTENDED. TENDERS WILL BE IRREVOCABLE EXCEPT THAT AFTER MARCH 30, 1988, BONDS TENDERED AND NOT ACCEPTED FOR PURCHASE AND PAYMENT PRIOR TO THAT DATE MAY BE WITHDRAWN WHETHER OR NOT THE OFFER THEN REMAINS OPEN.

Bonds may be tendered without physical delivery if such delivery is guaranteed by a bank (including the Depositary), banker, trust company, or member of the New York, London or other recognized stock exchange, on the Guarantee of Delivery form included in the Letter of Transmittal, subject to the conditions stated therein.

The Company will pay a solicitation fee of U.S. \$1 per U.S. \$1,000 Bond for each Bond purchased pursuant to the Offier which is tendered by or forwarded through a bank, banker, trust company, or member of the New York, London or other recognized stock exchange.

Copies of the Offier, the Deposit Certificate and the Letter of Transmittal may be obtained from any of the following:

Morgan Guaranty Trust Company of New York 30 West Broadway New York, New York U.S.A. 10015 Morgan Guaranty Trust Company of New York 14. Place Vendome 75001 Paris, France

Morgan Guaranty Trust Company Morgan Bank Nederland N.V. of New York Morgan House, I Angel Court London EC2R 7AE England Tesselschadestraat 12 1054 ET Amsterdam The Netherlands

Morgan Guaranty Trust Company Swiss Bank Corporation Gartenstrasse 9 CH-4002 Basle

Banque Internationale a Luxembourg S.A.

Dated: January 22, 1988

<u>AMERICAN MEDICAL INTERNATIONAL N.V.</u>

NOTICE OF MEETINGS

AMERICAN MEDICAL INTERNATIONAL N.V.

Zero Coupon Guaranteed Bonds Due August 12, 1997 Zero Coupon Guaranteed Bonds Due August 12, 2002

NOTICE IS HEREBY GIVEN that meetings (the "Meetings") of the holders of the Zero Coupon Guaranteed Bonds Due August 12, 1997 and the Zero Coupon Guaranteed Bonds Due August 12, 2002 (the "Bonds") of American Medical International N.V. (the "Issuer") have been called by the Issuer. The Meetings will be held at Mergim Guaranty Trust Company of New York, The Conference Centre, 3rd floor, I Angel Court, London EC2R 7AE. London, England on Thursday, February 11, 1988 at the hour of 2:00 o clock in the afternoon, London time. The Issuer has announced that it proposes to make an offer to purchase the Bonds.

At the Meetings, Bondholders will be asked to approve amendments (the "Amendments") to the Indentures, asted a sof August 12, 1982 (the "Indentures"), among the Issuer, American Medical International, Inc., as guarantor (the "Guarantor"), and Morgan Guaranty Trust Company of New York, as Trustee (the "Trustee"), pursuant to which the Bonds were issued. Such Amendments will eliminate Sections 4.06 through 4.11 of the Indentures, which contain the financial covenants of the Issuer and the Guarantor.

of New York, as Trustee (the "Trustee"), pursuant to which the Bonds were issued. Such Amendments will eliminate Sections 4.06 through 4.11 of the Indentures, which contain the financial covenants of the Issuer and the Guarantor.

In accordance with the provisions of the Indentures, the resolutions to be submitted to the Meetings, in order to be effective with respect to each issue of the Bonds, must be approved or decided by persons entitled to vote the lesser of (i) a majority in principal amount of each issue of the Bonds at the time outstanding or (ii) 75% in principal amount of each issue of the Bonds represented and voting at each Meeting, provided that a quorum is present. The persons entitled to vote a majority in principal amount of each issue of the Bonds outstanding shall constitute a quorum. In the absence of a quorum, the Meetings shall be adjourned until February 23, 1988 at which time the persons entitled to vote 25% in principal amount of each issue of the Bonds at the time outstanding shall constitute a quorum.

In order to be entitled to vote at the Meetings or adjournments thereof a person must either be a holder of one or more Bonds or a person appointed by an instrument in writing as proxy by the holder of one or more Bonds deposited at any of the offices referred to below "Depositary Offices") no later than one business day prior to the Meetings or such adjournments or deposited with the Chairman of the Meeting at any time prior to the Meetings or such adjournments or deposited with the Chairman of the Meeting at any time prior to the Meetings or such adjournments of Bonds or of a dated deposit certificate executed by a bank (including the Trustee), banker, trust company or member of the New York, London or other recognized stock exchange certifying that on such date Bonds bearing specified identification numbers were deposited with or exhibited to such bank, banker, trust company or stock exchange member. The signature on any proxy deposited as aforesald must be witnessed or guaranteed by

Morgan Guaranty Trust Company of New York 30 West Broadway New York, New York U.S.A. 10015

Morgan Guaranty Trust Company of New York Morgan House, 1 Angel Court London EC2R 7AE England

Morgan Guaranty Trust Company of New York Avenue des Arts 35 1040 Brussels, Belgium

Morgan Guaranty Trust Company of New York 14. Place Vendome 75001 Paris, France Morgan Bank Nederland N.V.

Tesselschadestraat 12 1054 ET Amsterdam, Swiss Bank Corporation

CH-4002 Basie Banque Internationale a Luxembourg S.A.

2. Boulevard Royal Luxembourg, Luxembourg

MORGAN CUARANTY TRUST COMPANY OF NEW YORK, Trustee

Dated: January 22, 1988

£75,000,000 The Republic of Panama

Floating Rate Serial Notes due 1991 For the six months

U.S. \$50,000,000

First-half profits rise at

at Dai Nippon Printing

UNCONSOLIDATED NET earn- such commercial publications

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 8 per cent. per annum, and that the interest psyable on the relevant interest payment date, payable on the relevant interest payment date, 25th July, 1988 against Coupon No. 18 will be U.S. \$202.22.

25th January, 1988 to 25th July, 1988

The Industrial Bank of Japan, Limited Agent Bank

Co-operative Bank p.l.c. Amcorporated in England under the Componets Acts 1948 to 1980)

Subordinated Floating Rate Notes 2000 Holders of Floating Rate Notes of the above issue are hereby notified that for the interest period from 21st January, 1988 to 21st April, 1988 the following

information will apply: Rate of Interest:

9% per annum

£1,118.85

2. Interest Amount payable on Interest Payment Date:

Per £5,000 nominal or

3. Interest Payment

Per £50,000 nominal 21st April, 1988

Date:

Bank of America International Limited

ALLIANCE LEICESTER

Alliance & Leicester Building Society

£300,000,000

Floating Rate Notes 1994

Notice is hereby given that the Notes will bear interest at 9.0175% per annum for the interest period 21st January, 1988 to 21st April, 1988. Interest payable on the relevant interest payment date, 21st April, 1988 will amount to £112.10 per £5,000 Note

Agent Bank: Morgan Guaranty Trust Company of New York

and £2,242,06 per £100,000 Note.

Clare Pearson looks at a financial centre which grew 44 per cent last year

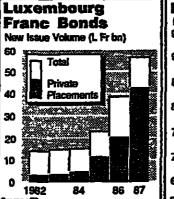
Luxembourg steps out of the shadows

grew 44 per cent in size in 1987. This year, it appears likely to be taken more seriously as a source of funds by an increasing number of presticular terms of the serious increasing number of presticular terms. gious international borrowers.
Moreover, it is apparently thriving on the preservation of limitations that other markets around the world have been rushing to throw off: it has a strict new issue calendar, ceil-

ings on issue size, and a very limited secondary market. It is not that the market operates entirely in isolation from the rest of the world - indeed, investors' growing interest in Luxembourg is partly a response to their increasing concern about the functioning of the so-called global markets, prompting them to keep their money at home

As Mr Paul Waringo of Banque Générale du Luxembourg puts it, "a certain turmoil in the currency markets" has scared the private investors of Luxembourg and Belgium away from buying foreign currency bonds. In particular, though the picture may be brightening for the Eurodeller board market at the Eurodollar bond market at the

down, but still provide a nice yield plck-up over D-Mark and guilder rates. Interest coupons in Luxembourg – unlike Bel-



gium - are free of withholding

Luxembourg investors have had steadily less inducement to add to their holdings of foreign currency bonds, although they do have a liking for Danish kroner bonds, since they feel sufficiently compen-sated in double-digit yields for

self-interest among the handful of Luxembourg banks which

Bond Yields Medium Term (%) 9.5 9.0 ECU 8.5

are regular lead managers. So the market has never been lib- which, though not legally inter-eralised but has, rather, changeable, can be viewed by evolved at its own stately pace. "Nobody really wants more ing. This development has done works perfectly as it is," says much to improve the quality of bornowers in the market, bond and loans syndications at Kredietbank's Luxembourg subsidiary.

Luxembourg subsidiary.

The Luxembourg Monetary Institute allows only one public bond a month, and private placements have to be slipped in between the subscription periods for these deals. The market is currently entering upon a private placement phase following the early closure of the subscription for the most recent public bond for the European Investment Bank. pean Investment Bank. Although there is now no limit to the number of place-

ments that may be squeezed in, the banks keep volume closely

in line with demand.
Private placements, which come in denominations of LFr1m, may not exceed LFr300m. However, many borrowers have followed the example set by the Council of Europe last spring, and issued a series of bonds on identical terms the issuer as the same borrow-

THE DOLLAR may have plummeted and world stock markets crashed, but the Luxembourg franc capital market has gone from strength to strength over the past year.

Indeed, sustained by its loyal local investor base, this robust little domestic market actually grew 44 per cent in size in 1987. This year, it appears likely to be taken more seri-likely to be taken more provided to sum the furnew issue volume – in their new issue volume – in their captain to syndicated b

cant about liquidity in the Lux-embourg franc market. Bankers freely admit there is none at all in private placements, while for most public bonds, banks quote only a bid price to clients. Nevertheless, Kredietbank, Sogénal and Banque Générale du Luxembourg recently declared their intention to declared their intention to

quote regular two-way prices in about 30 of the most recent public bonds. This looks to some like an attempt to meet a non-existent need, since private investors who make up the bulk of the market's investor base normally hold bonds to matu-

banks involved say they have always quoted bids and offers, though ticket sizes represent less than I per cent of an issue. The only change, they say, is that they are now defining the issues in which they will make a market.

However, other bankers dismiss the possibility that a trad-ing market in Luxembourg franc bonds will ever develop. Since retail investors tend to moment, they have deserted it sated in double-digit yields for in droves over the last two years.

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tion to pre-strike levels as, too, did South African Land (Sal-

to acquire rights to additional residue dumps in the area.

Rand-denominated gold prices

September quarter's 2.06m tonnes and 6.74 g/t. Elandsrand returned produc-

lies). Ergo, which reprocesses old residue dumps on the East Rand, was relatively unaffected by the August strike. None the less, it raised grade and gold production during the Decem-ber quarter and has continued

Rally in US Treasuries sparks new issue sector

"IT'S JUST like the old days," said an exuberant syndicate manager yesterday: three new Eurodollar bonds, all eagerly gobbled up by investors amid a strongly rallying US Treasury bond market, and turnover in excess of \$100m on one primary market desk alone.

The contrast with the Eurobond market's lethargic mood during the second half of last year, and especially after the stock market crash, could hardly have been more pointed.

hardly have been more pointed. A resurgence of confidence in the dollar in the wake of encouraging US trade figures, announced a week ago, means syndicate managers are back in

Confidence is not yet strong enough for most investors to extend maturities very far, so shorter-dated bonds are meetshorter-dated bonds are meet-ing the most solid demand. Yet interest in longer-dated deals, mainly from trading-orientated buyers, is enough to sustain seven-year bonds for good names, so long as their yield spreads over US Treasury

spreads over US Treasury bonds look attractive.
Lead-managers of two of yesterday's bonds, for Japan Finance Corporation and Export Development Corporation of Canada, enjoyed a stroke of luck in issuing the bonds early in the morning. This was ahead of the rally in US Treasuries, after central US Treasuries, after central banks had supported the dollar, so their pricings were looking extremely cheap by mid-after-

Japan Finance Corporation had in any case followed the example of Nippon Telegraph and Telephone, which brought a similarly dated deal earlier in the week, and provided a fat yield differential on its \$150m

yield differential on its \$150m seven-year bond.
Lead-manager IBJ International priced the 9% per cent deal at 101% to give an 80 basis points pick-up over the Treasury yield curve. The apread it ightened during the morning, but was restored later as the Eurobond sector lagged the Treasury market's gains. The bond closed around less 1.40 bid, against 1% per cent fees.
The bond is likely to be

received by the mines were lit-tle different from those of the

Betglear 94 92 Betkish Telecom 75 96 Betkish Telecom 87 94 Canadian Pac 103 93 C.C.C.E 74 91 C.M.C.A 77 91

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Credit Suisse First Boston, meanwhile, achieved a blow-out success with a \$200m three-year bond for Export Development Corporation of Canada.
This seemed to be exactly what
Swiss investors (who are fond
of Canadian borrowers and are
big bayers of shorter-dated

big bayers of shorter-dated paper) were looking for.

The 8% per cent issue, priced at 100%, yielded about 50 basis points over comparable US Treasury bonds at launch. This differential tightened by about 10 basis points and the bond traded as high as less 1 bid.

Maryll Lynch International Merrill Lynch International was less fortunate in its \$150m

INTERNATIONAL BONDS

34-year deal for Eksportfiname of Norway, not only because it was launched later on but also as the borrower issued a three-year bond only last week. This bond shed about 15 basis points in price in shock after the new deal's announce-

But a combination of attractive pricing and buoyant demand can work wonders, and Eksportfinans' new 8% per cent deal, priced at 101%, was bid within 1% per cent fees at less 1.35, or slightly higher. The initial yield spread versus Tresuries was about 70 basis points, Merrill Lynch said.

Dealers were certain that

Rumoured yesterday were bonds for Ford Motor Credit and a state-backed borrower, possibly French, both with short maturities. One dealer said he thought a 10-year issue for a sovereign or suprana-tional borrower might emerge. The flurry of dollar issues

for a sovereign or suprana-tional borrower might emerge.

The flurry of dollar issues
was perhaps not the best envi-ronment for Daiws to launch a stock market weakened and large two-tranche Y70bn issue for Austria, including a relatively rare 15-year maturity for Y40bn of the deal.

carries a 5% per cent coupon and a price of 102, while the The bond is likely to be larger portion has a 5% per cent said it met a strong initial heavily bought by Japanese coupon and 102 pricing. The response. Investors who – though they deal was launched late in the are in general only nibbling at day and price levels were continuously in the Eurobond market – are sequently hard to obtain but \$70m of five-year bonds with

however, that a large propor-tion of the longer bonds were pre-placed and were not expec-ted to trade as actively as the

ted to trade as actively as the 10-year maturity.
Managers said the Euroyen market, despite slight easiness in Tokyo yesterday, is not weak at present but could not be said to be meeting strong demand, given that investors' attention is apparently directed presently at dellars.

at conars.

The D-Mark Eurobond market saw a new batch of issues, led by Nippon Telegraph and Telephome, fresh from its warm reception in the dollar market. Its DM300m issue, led by Deutsche Bank, has a 10-year maturity, 6½ per cent coupon and 100½ pricing, and traded within its 2½ per cent fees at 1.80 below issue price. Despite slight misgivings about the long maturity, dealers said the issue was well priced.

Also meeting a strong reception was a DM200m issue from Export Credit Bank of Turkey. Launched by Dresdner Bank with a six-year maturity, par pricing and a 6½ per cent cent. The D-Mark Eurobond market

with a six-year maturity, par pricing and a 6% per cent cou-pon, it was bid only one point below issue price compared, with fees of 2% per cent. It was said to be attractive to German retail investors.

The sector also saw its first equity-linked issue since last October's stock market crash. Nakawichi, a consumer electial yield spread versus Treatronics maker, made a DM50m suries was about 70 basis 5½-year convertible issue with points, Merrill Lynch said.

Dealers were certain that cent, led by Nikko Securities more deals were on the way.

Courselland). It traded around

D-Mark bonds fluctuated, gaining slightly and then easing in quiet trading reflecting nervousness about currency fluctu-ations. The Bundesbank's deci-

interest rates fell further. FAI Financial Services, part of the Australian insurance Y40bn of the deal. group, made a SFr100m five-The Y30bn 10-year tranche year issue with par pricing and carries a 5% per cent coupon a 5% per cent coupon, led by and a price of 102, while the S.G. Warburg Soditic, which larger portion has a 5% per cent said it met a strong initial

believed to have swallowed up the terms were considered equity warrants, led by Nikko a large proportion of NTT's aggressive, especially for the with an indicated coupon of 5 \$200m deal.

Hungarian International Bank

AN ARTICLE published yester-day about the forfaiting market inaccurately stated that the Hungarian International Bank had recently decided to withdraw or wind down its forfaiting operations.
We apologise for this inaccu-

racy. Hungarian International Bank states that it intends to maintain its position as one of the leaders in the forfaiting market by expanding its Mr T. Newling, managing director, said: "The bank is

devoting considerable capital

and personnel resources to this business under the leadership of Mr Denis Keenlyside, assistant director." In the three months ended December 31 1987 business volume in currency terms increased 16 per cent on the first quarter last year, he said.

Anglo American mines stage recovery

FOUR OF the five gold mining companies managed by Anglo

American recovered quickly during last year's December quarter from the three-week strike by black miners in August. Recovery at Western Deep

Levels has been slow as deep underground workings suffered damage when the strike halted production. The directors expect pre-strike production levels to be resumed during the present quarter and, according to company officials, it is hoped that a non-strike agreement can be reached with the National Union of Mineworkers (NUM) in exchange for premium wages

at the mine.
The mines' mills were kept in operation during the strike by milling surface ore and it had been feared that depletion of

ANG	LOAM	FRICAL	I GOLD	QUART	EDI LEC	5
	Gold p	roduced	After-t	ax profit	Earning	s (cents
	Dec 87	kg) Sep 87	Dec '87	lm) Sep '87	per s Dec '87	share) Sep 87
dsrand	3,005	2,462	44.87	32.60	21.8	20.0
)	2,836	2,747	24.08	23.75	38.7	41.8
gold	24,384	22,465	194.90	249.62	62.1	80.5
Land	421	637	2.15	1.28	20.9	13.8
Reefs	17,796	16,756	148.85	135.88	515.4	389.5
	5 667	~~~~				

17,796 16,756 148.85 8,267 6,586 86.10 W.Deep Lvis Earnings per effers calculated after capital ex

surface stocks would affect from the September quarter's production in December, when seasonal shortages of black age gold recovery grade slipped miners generally affect production. This does not seem to have been the case.

Freegold, South Africa's larger to the country's secret gold mine. lifted mill on largest gold mine milled

September quarter. However, restoration of full production allowed Elandsrand, Vaal Reefs and Sallies to reduce unit work-Freegold, South Africa's largest gold mine, lifted mill ond largest gold mine, milled throughput to 5.68m tonnes 2.67m tonnes at an average during the December quarter, grade of 6.66 g/t, against the ing costs per tonne. Freegold's unit costs rose comparatively sharply, to R96.70 per tonne.

Rustenburg dividend boosts JCI

By Our Johanneaburg Correspondent

JOHANNESBURG Consolidated Investment Company (JCI), the South African mining group, lifted its interim pre-tax profit by 32 per cent in the six months to December 31 1987, largely due to a non-recurring dividend from Rustenburg Plat-

The interim pre-tax profit rose to R160.8m (\$81.2m) from R12I.9m in the corresponding period of 1986. Pre-tax profit for the full financial year to June 1987 was R332.8m.

First-half normal investment income increased to R81.2m, from R72.4m, despite a lower

dividend payment by Randfon-tien, the larger of the two gold mines managed by the group. Rustenburg raised its normal dividend and higher income was derived from diamond and

The directors are particularly concerned about current conditions in the export coal markets which have affected revenues of the Tavistock Collieries sub-The non-recurring dividend

The non-recurring dividend from Rustenburg formed part of the flotation of Lebowa Platinum on the Johannesburg Stock Exchange.

First-half earnings rose to R18.62 a share from R12.36 and the interim dividend has been lifted to R6 from R5. Earnings totalled R36.41 in the last financial year and a total dividend of R15 was declared.

JCI is controlled by Anglo American, South Africa's larg-American, South Africa's largest mining and industrial group.

Dutch broker stops trading VAN LOOSBROEK, a medium

sized Dutch brokerage firm, has stopped trading because of a management dispute and as a result of October's global stock

market crash.

Rubber Cultuur Mij. Amsterdam (RCMA), a commodities trading group, has halted its financing of Van Loosbroek, which is a partnership of RCMA and Mr P A Van Loosbroek. Financing will resume when a new partner has been found, RCMA indicated in a terse, written statement yesterday. It refused to elaborate.

Mr Van Loosbroek, however, insisted yesterday that he would remain with the three year-old firm because of his role as founder, partner and

role as founder, partner and director. Van Loosbroek employs six people and is located in Amsterdam.

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Kalalysis 6¼ 6¾ 94.

Cestera Kont. BK 2½ 92.

Portugal 5½ 92.

Portugal 5½ 92.

Portugal 6½ 95.

Sacotal 6½ 97.

Soc Cent Nuclear 7¼ 95.

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Tokyo Elac. Power 6 97.

World BK 6½ 97.

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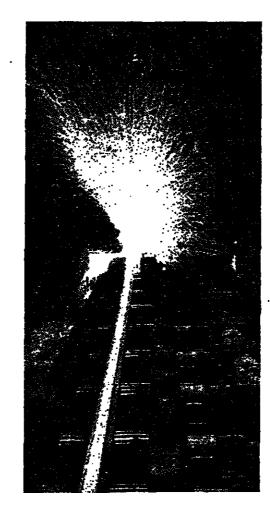
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Board posts at British & Commonwealth

Miss Maria Callaghan has been appointed group operations director of HRITISH & COMMONWEALTH HOLD-& COMMONWEALTH HOLD-INGS. Her responsibilities include compliance and co-ordi-nation of all group administra-tion. Sie is also group company secretary. Also joining the board as an executive director is Mr. Cameron Brown, chief executive of Abaco invest-ments, which is being acquired by B&C.

Mr Paul Tatman, previously chairman of BEECHAM PHAR-MACEUTICALS UK division, and currently president of the US business, becomes managing director of Beecham Pharmaceuticals from April 11 He miles and currently president of the US business, becomes managing director of Beecham Pharmaceuticals from April 1. He will assume responsibility for its worldwide commercial operations and will also control two new central marketing and licensing departments. Mr Ray Glies has been appointed licensing director, he has been in Japan since 1978. As head of the new department he will be responsible for developing the potential for licensing and joint marketing new products, and secking licences from other companies. Dr Tim Melton will be the new director of development projects. He joined the research division in 1967, and will be responsible for setting up and operating the new system for progressing new compounds to the market, and for licence submissions to health authorities. *

Mr Mervyn Blakeney has been appointed a non-executive director of Gengee OLIVER (FOOTWEAR). He is managing director of Edgar Vanghan; and a main board director of Cadbury Schweppes.

BOULTON & PAUL has appointed Mr David Chemery as managing director of Brownpes International, and a main board director of Cadbury Schweppes.

BROMSGROVE INDUSTRIES has appointed Mr David Chemery as managing director of Edgar Vanghan; Mr Stephen Hayes becomes company secretary. He was group financial controller at Caparo Industries.

Mr Ben Tomila has been appointed Mr David Chemery as managing director of Edgar Vanghan; Mr Stephen Hayes becomes company secretary. He was group financial controller at Caparo Industries.

THE WOOLLY MILL CO., Langholm, has appointed Mr David Chemery as acquired control of the company, as chairman. Mr E. Barty and Mr Neil, Forster and Mr Wwine Demann have resided

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Mr Neil, Forster and Mr Wynne Denman have resigned from the board of BRITISH & COMMONWEALTH HOLDINGS and become consulants to the group.

Montagu is part of Midland Montagu, investment banking and securities arm of Midland

Mr Les Morrell, finance director of Jewson, builders' merchant subsidiary of MEYER INTERNATIONAL, has been appointed to the newly-created post of marketing director. Mr Pat Manwaring, Jewson descriptions of marketing directors is now responsed. appointed to the newly-created post of marketing director. Mr Pat Manwaring, Jewson development director, is now responsible for branch site development, in addition to acquisitions.

Former St Martins Property Corporation chief executive, Mr Pailip Worthington has director by CHARLECOTE ESTATES.

Mr Robin Snelson is to join CLAY & PARTNERS, consulting actuaries, on February 1 as a partner to head the insurance consultancy division. He was head of group actuarial services at Legal & General.

Mr Robin Snelson is to join CLAY & PARTNERS, consulting actuaries, on February 1 as a partner to head the insurance consultancy division. He was head of group actuarial services at Legal & General.

Lord Northbourne has been Allied IRISH BANK GROUP



Powell Duffryn makes changes

PRIVATBANKEN has appointed as associate directors Mr John Mellor who joins as head of the corporate finance department, and Mr James C. Roe, who is head of the customer treasury group. Mr Mellor joins from Ernst & Whinney.

Mr W.G. Andrews, group chief executive of POWELL DUF-FRYN, has been appointed chairman of Powell Duffryn Shipping, which includes Cory Bros., and Stephenson Clarke Shipping. Mr P.J.W. Shuttle-worth has been appointed chairman of the group's hulk appointed as associate directors in John Mellor who joins as head of the corporate finance department, and Mr James C. Roe, who is head of the customer treasury group. Mr Mellor joins from Ernst & Whimney.

Mr Anthony Hass has been appointed chairman of Powell Duffryn Shipping, which includes Cory Bros, and Stephenson Clarke Shipping, Mr P.J.W. Shuttle-worth has been appointed chairman of the group's bulk liquid storage division from February I, in succession to Mr J.H. Pascoe, who will concentrate wholly on the group's fuel distribution activities in the UK and France.

Mr Ray Webber has been appointed finance director of PAULINE HYDE & ASSOCI-ATES.

Mr Stephen Edwards has been appointed managing director of the travel, transport and leisure division of ALGAMA. He has also been appointed a direc-tor of Euromedica. He was with British Airways.

Lord Northbourne has been appointed deputy chairman of CENTER PARCS, UK arm of Center Parcs NV, Netherlands.

EMI MUSIC WORLDWIDE has formed a new executive board: Mr. Bhaskar Menon, chairman and chief executive; Mr. Peter Andry, president, international classical division: Mr. Eichard in eladadministration director.

ALLIED RISH BANK GROUP has appointed Mr. John P. Bockett as head of investments Britain. He will have overall responsibility for Grofund Investment Managers (unit trust arm) and for Grofund Investment Managers (in the bank's Brussels office.

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Transvaal

Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Reports of the directors for the quarter ended **December 31 1987**

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Profit before impation. Provision for tenation. Profit after tenation. Appropriation for capital expenditure.		18 312 . 86 087 39 115	82 994 12 268 70 726 46 225	153 221 841 784 206 705	paragraphs Details of the dividends declared in respect of the year	er ended Decen Dhidend N (Interni)		s Solicus: Send No. 93 II)	—R/kg produced Uranism axide Tors treated 000 Yield—kg/t.				1085 0.24	9	14 12	4 458 0.23
Profit multiple	******	***	24.408	136 059	Declaration date. Assount per state Payable to resident registered on	July 23 196 25 0 cents	97 Janu 35 c	u) sary 21 1968 ants uary 5 1988	Gold-revenue				264 971 R000 253 164	214 0 RO 242 2 114 0	13. 1 30.	938 188 9000 998 998 451 598
-Brei		·. ·		79087 57 233 1 211	Payment date. CAPITAL EXPENDITURE CONSISTMENTS There were no orders placed or outstanding on capital	August 7 11 September il contracte sa si	11 1967 Marc d December 31 196	ah 11 1988 7.	-costs -profit Uranium cude profit. Tribute profit			_	118246 144918 16944	128 1 49 7	 86	547 400 160 111
Earnings per share—cents		90 57 834	90 48 963	496 209 739			For and on bein T L PRETORIUS E. P. GUS	S 1	Probate profet		•••••	_	2 711 163 573	161 1		21 846 729 356
DEVELOPMENT Advence	ekrus change	Sempl		udeium	ELANDSRAND				Capital expenditure Repayment of loan Holdings Limited Repayment of consul	and interest	to Southwar		26 123 243 665	299 2 7		104 314 973 2 914
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September 30 1996 R29 000 4 September 30 1996 R29 000 4	1093 100.0 127 100.0 1426 100.0	3035	2002	0.22 21.82 0.21 20.97		0.42 6.60 3.006	7.09 0.54 6.97 2.462 663.75	0.64 8.54 10.919 502.82	Production - kg				52.09 52.09 29.343	44 (42 8	23 18	243 24 41 78 30 747
. RS2 000 3	1213 131.4 1377 131.2 1823 130 1	12.34 12.05	1 666 1 519 1 568 1 461	Ξ Ξ	Production—leg. Cost—Rhat mined. —Prior miled. —Prior miled. —Prior miled. —Prior product. Prior procest.	10/9/	120.38 17.280	103.56 16.641	Tons treeted 900 Yeld—kg/t. Production—kg				0.42 634 R000	Ro	_	0 42 534 R000
PRODUCTION The build-up in production following the demage to underground workings. Alphospherial to be achieved during the qui		- -		of the outphakes luction levels are	Gold-R/kg	30344 400 7000 91 251	30 217 458 8000	29 000 441 . P000	Gold section Gold—revenue —costs				4314 5626	38		20 642 21 682
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Declaration data		Dividend No. (Interior) July 23-1997 290 cents	4	vidend No. 52 mail ruery 21 1968 C confs.	Net sandry incisme	43 E70 1438	31 557 1 686	146 342 7 051	Loss for royalty	captal autor	Maria	_	102 1 547	7:		1 527
CAPITAL EXPENDITURE COMMITMENT	19	August 7 198 September 1	1967 - 24	0 cents brawny 5 1968 arch 11 1968	Profit before taxabox	45 505	35 352 749 57 603	163.393 3.260	Provision for royalities —The Airliander Lea —Angio American (i ior se Limited. Sold Envestm	ent Compan	•	(114)	(21	6) En	75
Orders plicated and outstanding on oupling	il confracts as a	December 31	Ese sed on be	half of the board SH)	Appropriation for capital expenditure:	21 051	13.278	62 448 67 686	Capital expenditure Unables section		,		133 41	pšš ti	4 5	(129) 1 096
January 22 1968		• . •	T. L. PRETORI	US } ZERICHOUS	Dividend—interior			48310 43479	Royalty to The Afrika Capital expenditure (I SHAFT STRIKING	nder Leese Li Metallurgical (infied	•	20 — metres	metr	57	650 metres
ERGO East Rand Gold and Uran	ium Com	em limit	ari		Rander from reserve	44	34 20	4 124	No. 10 men sheft. Advance. Depth to date. Station cutting.				337 901 42	5	10 14 19	901 901 81
Registration No. 71/UP001/05 INGUED CAPTUL: 42/078712 ordinary of 167/934 5 ordinary of	-	-			Capital expenditure—R000	<u>22</u> 25 Hz	<u>20</u> 19 527	77 713	No. 10 Rock and ver Adamse. Depth to date. Station cutting.				143 1 047 322	2 9 1	73 M	1047 1047 527
·	•	Constar	Courter	Year ended	Advance	spetries (2)	Sampled	pold	DEVELOPMENT	Advence			Sample			
COMPANY SESSICIES Material Treated—form—COO Gold production—19		Dec. 1967 1017 2335	Sept. 1967 8946 2747	Dec. 1987 25 808 7 919	Cuerter ended December 1967 Biblurg ried		209.2 0.34 65.9 14,45	cm.g/t 77 998	Quarter ended	metres	andres	chenne!	gold g/T	cm g/t	lig/t	cm Jig/t
Unnern production—kg		425 128 869 36 186 468	38 530 181 967 30 070 454	118.518 365.536 29.620	ORE RESERVES (See rose 1)			Sold	Quarter ended December 1987 NORTH LEASE ARE Vanteradorp Contact	12415	1332	71.6	20.87	1 494	0.72	51 45
Terrovet		7000 77301	454 R000 97 083	455 R000 288 376	gold price per latogram Variendorp Contact reof September 30 1987	4457	CR 9/1 126.7 10 12	cas.g/1 1 282 1 232	roet South Lease Area Vectored 'C roet	304 11 723	20 984 72	38.2 59.6 28.2	26.34 25.30 58.48	1 026 1 608 1 649	034 105 137	12 42 62 41 38.54
Revenue		97 M	97 083 69 903	268 376 173 086	829 000 R32 000 September 30 1986	4 749 6 033 5 220	126.2 9.75 126.2 9.43 126.4 9.48	1 232	Area - corter telleria to		-			10-0		30.50
Operating profit	······································	27140 32 3772	37 480 (83) 87 977	95 290 (14) 95 276	PRODUCTION The build-up in production following the strike has been back to normal. DWINESONS	o neticiaciony ar	nd operations at the	Mine are now	and developed by Buffelsioniein Gold Mining Compeny Limited (not included in lotals) Vani regi	1019	110	180 4	9.22	1 963	039	69.86
Deduct Payetly Cost of places purchased		1.451 7216	1 023 8 777	4 574 15 325	Details of the dividends declared in respect of the year	r ended Decem Dividend No (Interior)		tollows: end No. 11 ()	"C rest AFRIKANDER LEASE (Gold section)	218	46	71.5	8.22	588	0.39 0.23	16.14
Profit before textilen		29 105 5 025	28 977 5 228 23 751	76 S77 10 784 64 583	Declaration date. Amount per share. Payable to members regulated on Payangst date.	July 23 198 60 cents August 7 19 September 1	45.00	ary 21 1986 Ants sary 5 1985 A 11 1986	Jappessown Riedkull No. 5 reel Totals Vest reel (excluding	1 119	384	128.5	3 40	457	-	-
Profit alber tocation. Appropriation for capital expansitive Profit misliable.		24000 7746 16335	23 751 6 157 17 694	<u>25353</u> 39240	CAPITAL EXPENDITURE COMMITTEENTS Orders placed and outstanding on capital contracts as a	at December 3		98 000.	Dibute areas)	24 135	2 296	68.0	22.02	1 500	0.84	58.05
Obvisional - Interfet		-		23 182 18 058	January 22, 1968		£ P. GUSH I. L. PRETORIUS		December 1987 Custor ended September 1987 Year ended December 1987	21 958 104 421	1 700 8 7 1 6	70 4 69 5	25.18 25.80	1773	0.88	81 66 60 45
Eassings per stare—certs		7490	<u>41</u> 6 608	25.807	VAAL REEFS			•	ORE RESERVES (See note 1)	Based on	Tons	Stope	Geld	1783	Uraniur	
EMIGO DIVISIONI Blanes treated love 000. Gold production—leg. —unit cost 17/kg		5 197 1 702 17 985	5 174 1 912 18718 36530	15 393 4 925 13 431	Vaal Reefs Exploration and Mining Augustation No. 05/17354/08	•	y Limited		Rotals Visal and 'C' reef September 30 1987	gold price er lulogram	600	em -	9/1	cm g/t	-	cm leg/t
Acid production—local		1 702 17 986 42 226 120 709 R000 S1 268 11 420	123 846 R000	116516 341394 R000 144757	IBSUED CAPITAL: 15 000 000 stame of 50 cents each	Courter engled Dec. 1967	Quarter ended Sept. 1967	Year ended	September 30 1988	F26 000 F29 000 F32 000 F28 000	26 145 26 258 27 038 27 273	120.9 120.7 120.4 1.19.8	12.61 12.29 12.06 13.20	1 524 1 484 1 464 1 462	043 043 043	63.20 52.33 51 53 51.03
Revenue—gold and silver————————————————————————————————————		42 70g	48 095 14 229 62 267	32 642 177 399 114 270	CPERCTURG RESISCES Totals Cold Arm pined—ar 000		-	1977	Venterstorp Contest and Eleberg reals September 30 1987	R26 000 R26 000	2774 3601	1131	6 14 4 72	581 560	0 07 0 07	7.87
Coat of spice		25 450 25 450 25	28 920 28 347 (86)	63 129 (29)	-lotel	517 2380 311 2571	405 2 060 425 2 485 7 95	9 692 1 274 10 986	September 80 1986 Jappastown Melinal	R32 000 R28 000	3 801 4 980 6 668	1166 1170 1168	4 72 4 37 4 20	550 511 490	0.07 6.07	7.90 7.91 8.00
Profit belote tereflor		22 665 6770	23.281 3.260	69 100 13 702	-10000	7.41 0.00 6.00 17 796	0.90 6 74 16 750	7.38 0.91 6.63 72.710	Jappestoup Pietical Freets (Gold Section) (Africanter Lease Area)							
SIGNATURE OF STATE OF		460 30 277	484 20 4) j	1 421 78 1 196	Production—i.e. Cost—Compilar —Nint mined. —Print mined. —Print mined.	818.20 100.30 15.054	660.53 107.94 15.662	532.55 98.01 14.480	September 30 1957 September 30 1985	R26 000 R29 000 R32 000 R26 000	627 1097 1203 1298	108 7 1 10 3 1 10 4 1 18 3	4 00 3 66 3 54 3 44	435 404 381 407	Ξ	Ξ
AGIC PRODUCES EXE		26 222 7 360 P000 11 384	28 971 8 341 8000	27 372 24 144 R000	Unanten colds Tors Institut 000. Yeald—lag.tt. Production—lag.	2144 8.20 428449	1 699 0 18 348 210	8610 0.20 1 676 517	South Lane area (included in above figures) Visit and 'C' real							
Revenue—gold and silver		- 11911	12 409 575 12 954 11 155	35 661 1 638 37 299 32 915	PRICE RECEIVED ON SALES Goid-R/Ng	30 094 496	30 188 455	26 858 436	September 30 1967	R26 000 R29 000 R32 000	10 219 10 852 10 836	137 6 138 1 138 3	12 62 12 30 12 16	1736 1698 1682	0 52 0 51 0 51	71 15 70 71 70 37
Cost of galak. Operating profit Her sunsity income. Deduct:	······································	10 516 503 6	11 155 1629 3	22 915 4384 15	FRIANCIAL RESULTS Turnover. Goti-revenue.	9008 612 838 540 922	8000 648 730 506 487	2 687 485 2 106 223	September 30 1984 PRODUCTION The build-up in area particularly in the Soi	TO COMPAND SPACE	10 45.3 rues and is s. adversory :	140.4 now close effected gov	12 40 to pre-strike a production.	1741	0.51 Evec lower	72 13
Deduct: Royally to Simmer and Jack Mines Limit (Local/Pupilt before texation	M	1461 (462)	1 623	4 574	-posts.	540 922 367 908 273 013 24 251	506 487 266 112 239 375 74 820	2 106 223 1 052 847 1 056 378 257 960	UNAMIUM OXIDE PR The reduction in uran re-activishing of deliv	uum prolit is erice	largely attrib	utable in In	e tower level	of uransum	sales tollow	ving the
Capital superciture,		. 13	457	2 147 8914	Nexuse protet Next surrays income. Devisional from Southauss Holdings Limited:	1068 1068	5 178 9 638	35 340 43 643	AFRIKANDER LEASE The smile during the i the gold swring oper toyally for the year is	DIPPONIUS GUIST	er logether v ng a loss for skosbie	nth contrus the previo	ng low payab us and press	illy undergra rel quarters.	und het res The manage	wited in gold
Glimes treated—lone—COO. Gold production—In. —unit cost R/in		\$351 767 12 561 hoos	\$268 724 13 060 8000	1 798 14 256	starts declared July 1987	20 750 331 149	329011	23 400 20 150 1 435 869	royally for the year is Development as being Investigations into me decided to proceed a published in the annu- MOTALITY TO SOUTH	accelerates of ning the lower of the project of report.	n en attempt Ir leveln gil t I Subject to I	to build up the gold sea the approval	g at the nece than hims be	right and im an complete stary author	xove grade of end of hi ties. Details	s will be
Revenue-gold and sliver	·····	12 578 12 578 12 578 12 578 7 215	9 526 12 294	R000 63 678 25 901 21 777	Royaline to Southwale Holdings Lenined The Abrigander Lenes Lenind Angle Assertion Gold Investment Company Limited.	75063 (84)	82 642 (151) (38)	625	The royalty was adver DIVIDENDS	sely effected	by the lower	profit from	uranum çalç	e as méemes	to above	
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Capital expenditure		. 677 1 grin@ag aditi	1961 and production	12758 ees advanably	Profe sites transion	14 4 343 10474	136 864	601 160 10674	Amount per shere Payable to members r Payment date	egistered on.		94 A	50 cents ugust 7 1981 conomber 11		60 cents February 5 March 11 t	
DEVICES OF THE STATE OF THE STA					Appropriation for capital expenditure	97 901 97 919	61 876 74 008	250 567 351 267	DATIDEND FROM SO The current quarter a therefore not directly CAPITAL EXPENDITU		(de a hati-yan nch the brevi	riy dividen	d hom Sout	Maai Holdin	a Limited .	and are
CAPITAL EXPENDITURE COMMETTAERITA Orders pieced and outstanding on capital exterior an amount of F298 000 for the S) contracts as at 	December 31	1967 totalled RI	7 149 000, which fortun Division.	Deduct Devicional—interior			180 500	CAPITAL EXPENDITU Orders placed and ou	tatanding on i	contra	cha aar ad Da	comber 31 1	967 totalled For and on E. P (Dehadiolin	e board
ACQUISITIONS OF ADDITIONAL MATER	EAL FOR TREA	MENT: ALLOT	HENT OF 120	D T CHOROTH	Retained profit for the year	45	360	1 545	January 22 1986					T L PRETO		Directors.
The dump is settingseted to contain 6 million contain 6 million contains of the company on D buty paid up, 80 000 8 ordinary startes of the company of the c	ions of mind an economy 7 1987 50 camp each	alting at a gold allotted to the ist the capital o	grade of 0.51 g Modder B cont the company	prim per ion. in eng. created as	Capital expenditure—ROOL	§1442	81 878	244 908	ANGL							u]
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The total of \$2000 S crothery theres at normation of 0.2183 per cent to the aggre- parties	lotted in very or gate invest day	t of the above to fordinary an	tog tenenctica d 8 ordinary th	e necessaria de . ensi during inc ensi during de .	Company Limited. OPERATING AND FINANCIAL RESULTS Steels Lesse area died mined—m² 000. Then miled 000—mile.				NOTES 1. ORE RES At Septer		967 ore r	768TV64	Were est	medeci et	a Dav Ile	nst
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ionismy 22 1986		•	Z L PRETORN	8 } Carectura	Yeki—gri-reel. —water —average.	7.14 1.66 6.36	7.55 1.24 6.46	7.09 0.09 6.24	estimated R32 000 : to the go	a kälogram Id price v	to indica	eu On (De the s	yoki prici ensitivity	es of 192 of the or	e reserv	66 68
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Birmid profits rise 73% to £23m

Birmid Qualcast, the consurer products group fighting a hostile bid by cement company Blue Circle, launched an attack yesterday on the "Big Brother approach" of its predator and unveiled a profits forecast for next year at the top end of City expectations.

It also announced pre-tax profits for the year to last Octo-ber of £22.62m, a 73 per cent increase on the previous year but in line with analysts' fore-

but in line with analysts' forecasts. It predicted next year's
result would be at least \$28m.

Mr Tommy Macpherson,
chairman, said: "The idea put
forward by a hostile predator
that Birmid needs some Big
Brother to finance our rapid
and successful growth is absolute nonsense." With gearing at
only 16 per cent, the balance
sheet was strong and Birmid
was in a healthy position to
expand.

expand.
Describing Blue Circle's \$217m bid as derisory, Mr Macpherson said that a system which permitted bids and acquisitions was healthy pro-vided they combined compatible companies or revitalised sleepy managements. Neither

Colorvision, the television

and video retailing group floated on the USM in June, has beaten its own forecast by 33

per cent with pro forma pre-tax profits for the year to September of £1.6m on turnover of £12.9m.

This compares with pro

Mr Neville Michaelson, chair-

man, founded Colorvision 24 tion. Colorvision shares closed years ago, when he was only up 12p yesterday at 182p.

Dee Corporation, the grocery group currently fighting a \$2bn cash and shares offer from the much-smaller Barker & Dobson, yesterday renewed its attack on the bidder's financing arrangements and queried both B&D's retailing skills and its prospective strategy.

Lages of Denig a Remark parameter operator.

On the question of the B&D's financing — where Dee has alleged potential breaches of a \$1.6bn loan agreement with a seven-strong banking syndicate if the offer is successful — Dee defends its own estimate of the collected group's net worth.

its prospective strategy.

Dee claims that B&D's plan to sell its superstore and refocus

the rest of Gateway means defends its own estimate on the enlarged group's net worth,

B&D, however, dismissed the latest questions as containing

Dee Corporation, the gro- tages of being a genuine niche

Dee renews attack on Barker

forma pre-tax profits for 1985/ 86 of \$367,000 on turnover of

which was to combine its Armitage Shanks bathrooms subsidiary with Birmid's consumer products companies. "Birmid's scale of development has been modest," he said. "We can put more into it."

Mr Poole said Rirmid's results.

Mr Poole said Birmid's results were in line with Blue Circle's expectations. He would be seeking talks with Birmid in the hope of obtaining an agreed

takeover.

Birmid's 73 per cent advance in pre-tax profits in 1987, which was achieved on sales of \$217m (\$203m), was helped by a pension contribution holiday which amounted to \$2.4m.

In the dominant, consumer In the dominant consumer products division, the Potterton boilers company increased prof-its by 50 per cent to £9.5m, helped by a strong market and a small increase in market

share. Home and gardens grew from \$6.3m to \$7.3m. From \$6.3m to \$7.3m.

New World, the gas cookers business, contributed \$1.3m for the four months under Birmid ownership. Birmid sald a full year would probably have been about \$2.5m, because of seasonal factors.

sonal factors. sleepy managements. Neither applied to the present bid.

Mr David Poole, Blue Circle managing director, said Birmid had missed the point of the bid lifted from 4.75p to 7.75p and sleeply managements. Neither were 23.6p (15.6p) and the company also has considerable cash resources, as its gearing is only about 17 per cent. In the wind out of the way, the bid, which ible.

19. He predicted yesterday that future technical developments like satellite and cable TV

would sustain the company

even through recession.
The directors are recommend-

The directors are recommending a final dividend of 1.65p (0.37p) on earnings per share up from 1.62p to 7.25p.

The pro forma figures were adjusted to include the group's subsidiaries, which were associated companies until the flotation. Colorwician shares algoration.

Colorvision beats forecast



Tommy Macpherson: Birmid chairman

Mr Poole said the underlying 1987 earnings per share growth was more like 20 per cent than the 51 per cent reported when the pension holiday and the elimination of losses from dis-posed companies were taken

It is difficult to find compa-

Colorvision. For entrepreneurial expertise in marketing a

narrow range of products you would have to look at the likes of Tie Rack and Sock Shop, but

televisions are hardly impulse buys and Colorvision is not a

trendy company, despite the success of its management

enterprise scheme which gives local managers 20 per cent of the equity of each outlet. In the retailing sector Dixons is the obvious comparison, but

Colorvision is as yet neither a national nor a general electrical

retailer. Prospects for growth are good - three new outlets have been opened since the year-end and at least seven more are expected in the next

few months, part of an already successful strategy of opening stores in prime locations. Colorvision is also building a

fine reputation for good cus-tomer relations. Pre-tax profits should rise to around \$2.5m or

comment

has so far been conducted in a rather low key manner, begins in earnest. The next issue on the agenda is how much Blue Circle will raise its bld by; with the shares at 332p last night the cement company needs to increase substantially its 300p a share offer if it is to be sure of victory. Birmid is unlikely ever to repeat the pre-tax profits growth of last year. Although there is plenty to go Although there is plenty to go for in the gas cookers company and in foundries, the boiler business cannot maintain its heady expansion for long. Nonetheless Birmid has senti-ment on its side. It is admired for transforming itself from a foundries dominated group in the mid 1970s to the broadly based consumer products com-pany it is now. There is also considerable sympathy with its argument that it should not be allowed to lose its indepen-dence just because a quirk in market conditions makes invesmarket conditions makes inves-tors and institutions hungry for cash. Blue Circle, however, means business; its new man-agement is determined not to lose its first contested bid. The company also has considerable

Bennett & Fountain £13m Wigfalls bid

By Nikki Tait

Bennett & Fountain, the acquisitive electrical goods retailer and wholesaler, yesterday unveiled an agreed share exchange offer worth just under £13m for Wigfalls, the loss-making Sheffield-based electrical retail group.

Wigfalls - which sold off its rental operations to Granada last May - recently reported an increased interim loss of £837,000 in the six months to

end-October. B&F itself made \$2.71m on ales of £31.3m in the year to end-June and said yesterday that it expected the current

that it expected the current trading period to show "further satisfactory growth".

The offer consists of 14 B&F shares for every 3 Wigfalls; seven B&F for every 2 Wigfalls convertible shares; and 2 B&F for every Wigfalls 4.2 per cent preference share. With B&F down 4p at 38p, the offer values each Wigfalls ordinary at 177p. Yesterday Wigfalls shares jumped 20p to 176p.

BAT taken aback by **Farmers** rejection

By Nick Bunker BAT industries, the multi-national with extensive interests in tobacco, said that it was disappointed and surprised by Califor-nia-based Farmers Group's rejection late on Wednes-day of BAT's \$4.2bn (\$2.4bn) proposal to buy the US company. But Mr Henry Frigon, president of BATUS, BAT's American subsidiary, said he was urging Farmer's Group, a property/casualty

American subsidiary, saidhe was urging Farmer's
Group, a property/casualty
insurer, to reconsider.
RATUS was ready to "discuss all the terms of the
proposal," he added.
In London, BAT's share
price alumped 16p to close
at 419p after a bout of
down-grading of stockbrokers' profits forecasts following a BAT analysts'
meeting on Wednesday.
Barclays de Zoete Wedd
securities house cut its
1987 pre-tax profits estimate from \$1.435bn to
\$1.38bn. Some analysts
went further and tentatively cut their 1988 forecast also, in one case from
£1.69bn to £1.57bn.
Concern about the
group's figures focuseed on
the impact of last October's
stock market crash on the

the impact of last October's stock market crash on the investment portfolio of Ragie Star, its UK composite insurance subsidiary.

Analysts now helieve Eagle Star saw a \$40m drop in the market value of its non-life funds in 1987. Some also doubled to \$16m their estimates of losses from last October's European hurricane.

Eagle Star's post-crash situation is complex because BAT brought in a new accounting policy when it took over the insurer in

This means BAT brings forward into Bagle Star's profit and loss account a smoothed figure representing some of the unrealised capital appreciation carned on its non-life funds. BAT showed £109m in unrealised Eagle Star capital gains in the first six months of 1987. Several analysts were yesterday working on published figures that Eagle Star has £78m in reserve in the form of deferred investment gains accraed from earlier years.

earlier years.

M & G over £23m but warns on current year

M & G is unlikely to match the 1986/87 profits performance. That said, directors yesterday were far from despondent: according to chairman, Mr Andrew Caldecott, M & G made more in the first quarter of the current year than in the similar period 12 months earlier and although husiness yolume is currently low, there have been some signs of a marginal pick-up recently. Broadly, the fund management group says

The group was formed when the Irish group FII acquired the well-known UK banana importer Pyffes in May 1986. Since then, the company has moved from the USM to the main market.

main market.

These figures for the first time include Fyffes for a full 12 months. Pre-tax profits were 1\$13.7m (1\$7.2m) on turnover up 78 per cent to 1\$267m (1\$154m) and earnings per share were 46.5 per cent higher at 6.3 Irish pence (4.3p).

There is an extraordinary gradit of \$920.000 which represents

credit of \$820,000 which repre-sents the gain on the sale of UK premises minus full listing and other costs.

The company remains confident about its long term prospects and is looking forward to

continued profits growth in the current year. The intering dividend is being increased to 0.836 Irish peace (0.78p),

M&G, Britain's largest unit that it is too early to guess trust group, yesterday easily surpassed City forecasts by 1888, announcing pre-tax profits of 1888, True to its ontopoles repulsion of \$23.32m in the year to end-September, compared with \$15.5m too, M&G attacked sharply tember, compared with \$15.5m tion, M&G attacked sharply tember compared with \$15.5m tion, M&G attacked sharply tember compared with \$15.5m tion, M&G attacked sharply tem additional costs which it experts to bear as a result of the new regulatory framework earnings per share level the figure of the new regulatory framework which comes into effect in a profit of the new regulatory framework which it experts to bear as a result of the new regulatory framework and predicted around \$20m; at the experts to bear as a result of the perfect in the new regulatory framework which it experts to bear as a regulatory framework and predicted around \$20m; at the experts to bear as a regulatory framework which it experts to bear as a regulatory framework and predicted around \$20m; at the experts to bear as a regulatory framework which it experts to bear as a regulatory framework and predicted around \$20m; at the experts to bear as a regulatory framework and predicted around \$20m; at the experts to bear as a regulatory framework and predicted around \$20m; at the experts to bear as a regulatory framework and predicted around \$20m; at the experts to bear as a regulatory framework and predicted around \$20m; at the experts to bear as a regulatory framework and predicted around \$20m; at the experts to bear as a regulatory framework and predicted around \$20m; at the experts to bear as a regulatory framework and predicted around \$20m; at the experts to be a year of the predicted around \$20m; at the experts to a feet the costs of the part of the predicted around \$20m; at the experts to a feet the costs of the part of the p

That said, directors yester-day were far from despondent according to chairman, Mr. Addrew Caidcott, M. & G. mandemore in the first aparter of the current year than in the similar period 12 manths earlier and although husiness volume is currently low, then have been some signs of a marginal pick-up recently Broadly, the fund management group says

FII-Fyffes 91%

Alead and Sees

FII-Fyffes 91%

Spring Cogges

FII-Fyffes 10 management group Spring Cogges

FII-Fyffes 10 management group Spring

DIVIDENDS ANNOUNCED

	Current payment	Deter- of payment	Corres - ponding giv	Total for 7045	Total
(John)Int	1.65	•	1.5_		. 5 <u>.5</u>
Qualcastin	6_		3.5	7.75	4.75
sion §fin		Mar		1.65	-
oreint	1,54	D.L. 66	1.25 2.5	4.05	3 3.80
ns Elec §fin acturefin	265† - 0.6	Peh 26	z.o nił	0.9	nil
(E) minute military			. 2024	1.17	-
erfin			1 .	25+	1.5
Samuel)int	- ī				33
inith	2,63	Apr 6	2.49	4,38	2.0
roid	4		3.25	7	5.25
eununini	1.25	APTI 6		-	3
rk (Louis)int	5.8		5		14
esure §int	1.46	₹.	`. : <u>`-</u> -		0,73
n iny 13t	. u o		8.5	16.5	13,5
ey Mackay 🕏int	1.8	Mar 4			28
بمحينة حشمكم شف		. wet eve-	·	othomic	

Dividends shown pence per share not except where otherwise stated Equivelent after allowing for acrip issue. You capital increased by rights and/or acquisition issues, a URM stock. Ounquoted stock. Third market blrish currency.

sell its superstore and refocus the rest of Gateway means that Gateway would have neither the competitive advantages of scale nor the advantages.

B&D, however, dismissed the latest questions as containing little new and maintains that its own approach to the net worth issue is correct. more for this year. This puts the group on a prospective p/e of around 15.



National Freight Consortium p.l.c.

£146,000,000 Multiple-Option Facility

Arranged by **National Westminster Bank PLC**

Underwritten by

Barclays Bank PLC

National Westminster Bank Group

Lloyds Bank Plc

Commerzbank Aktiengesellschaft London Branch

Banco di Napoli Midland Bank plc The Royal Bank of Scotland pic Westpac Banking Corporation

Citibank, N.A. The Philadelphia National Bank

TSB England & Wales ple Crédit Lyonnais, London Branch

Credit Suisse

Additional Tender Panel Members

The Sanwa Bank, Limited

Westdeutsche Landesbank Girozentrale

International Westminster Bank PLC

January 1988

Associated Newspapers Holdings p.l.c.

The 1987 Annual General Meeting of Associated Newspapers Holdings, held on Tuesday, 16th Rebrushy 1988 of 10.30cm, in the Stock Room, Sto Shattanger, Holt Court, Ludgate Hill, London EC4

Associated Newspapers Holdings p.L.c., New Cormelite House, Landon EC4:

ALL SUBSIDIARIES MAKE SECOND HALF PROFIT

Gestetner doubled at £22.8m

turn. Gestetner said all subsidiaries

duplicators and facsimiles machines, with laser printers soon to go on sale in the UK.

The pre-tax total included duplicators and facsimiles era said.

machines, with laser printers soon to go on sale in the UK.

The pre-tax total included exceptional credits of \$2.16m

Gestetner Holdings, the office equipment group, yester-day reported doubled pre-tax profits of £22.8m in its first year under the management of AFP Investment Corporation its Australian controlling shareholder.

The advance from £10.6m was achieved on tumover only 5.5 per cent ahead at £422.8m (£6.1m) Extraordinary (£389.2m) in the year to October 31. The final dividend is doubled to 2p to make a total of 2.5p (1.5p).

Atthough he was centerned about the meertain economic and currency situation facing all international companies, Mr Basil Sellers, chairman, said Gestetner's cash flow and strong, balance sheet would enable it to weather any down-turn.

Gestetner said all subsidiaries

(£1.83m) from the sale of its Enaton its all each of its Enaton Road headquarters building as well-say the £1.4m Enation headquarters building as well-say the £1.4m headful as the £1.4m headful as the £1.4m headful as the £1.4m headful as the £2.4m headful as the £2.5m (£5.1m) Extraordinary re-organisation charges of £2.8m (£6.30.00) were £2m fourtered to a jump to charge nation of net borrowing by late advance corporation tax. This contributed to a jump to charge nation of net borrowing by late advance corporation tax. This contributed to a jump to charge nation of net borrowing by late advance corporation tax. This contributed to a jump to charge Nevertheless, AFP has continue for the recessed to a jump to the company as three to all prediction that the prevention of the processes of a surpression contributed to a jump to charge nation of net borrowing by late advance corporation tax. This contributed to a jump to charge nation of net borrowing by late advance corporation tax. This contributed to a jump to charge nation of net borrowing by late advance corporation tax. This contributed to a jump to charge nation of net borrowing by late advance on in the interest scaling functions of the meeting nation of the torrowing tax in the figure to unable to a jump to charge nation of the part of the meeting nation of the plant of the int

AFP CHIEF WARNS ON WORLD ECONOMIC OUTLOOK

Gesteiner said all subsidiaries made an operating profit in the second half. For the full year, contributions by geographical area were: UK 28.4m (\$4.6m), other EEC \$11.9m (\$6.9m); other Europe \$1m (\$21,000 loss), Americas \$5.1m (\$2.8m), rest of world \$6.3m (\$5.1m).

Photocopiers accounted for 42 per cent for Gesteiner's original business, stencil duplicators, but the letter continued to produce the best margins, other products include offset duplicators and facsimiles

(£100m) in cash, more than 80 per cent of its liquid resources, when it had to renegotiate uncovered. "put" options it held on shares in Elders IXI., the Australian brewing and pas-toral group.

Australian brewing and pastoral group.

AFP's share price has fallen to 80 cents from its pre-crash high of A\$4.20. Mr Sellers said, however, that the group was well piaced to ride out a recession. It had only four main investments, stakes in the Linter textile group and Aymada. textile group and Armada Resources oil and gold group in addition to Elders

Describing AFP as an undiversified investment trust committed to capital growth, Mr Sellers said:
"We always have a lever-assed interest and we always aged interest and we always have directors. Otherwise we wouldn't make the

The leverage, however, takes the form of options and nil-paid convertible securities rather than borrowing. After the Elders options debacle, AFP's leverage had no hidden downside, Mr Sellers said.

8500

8000

7500

7000

6500

6000

5500

5000

4500

4000

2500

2000

1500

1000

1981/2

Court dismisses

dealer

By Cive Wokman

Smith New Court, the securities firm, yesterday announced that it had sacked one of its senior traded options dealers, Mr Mark Lee, after discovering that he had cost the firm \$1.25m in tradicing that he lasses were accumulated over the last few weeks as a result of Mr Lee exceeding his positions limits by a large margin. The losses were only discovered on Tuesday evening by Smith New Court's financial control systems. Mr Lee apparently continued to input his positions into the system although he failed to tell anyon of the risks to which he had exposed the firm by write firm by risk positions into the system although he failed to tell anyon of the risks to which he had exposed the firm by write firm by write firm options on such a large scale.

By STEVEN BUTLER

Tricentrol, the UK independent of \$1.50 in 1904. The Petroleum Revenue detection and from \$1.50 this year to \$1.50 in 1904. The Petroleum Revenue assuming form \$1.00 this year to \$1.50 in Amethyst and North Ravenspura. The latter is conditional on the signing of gas sales contracts, which analysts sales contracts, which analysts sale exploration and appraisal expenditure of \$10m appraisal expenditure of \$ ing options on such a large

"There is no question of fraud or that he was acting on his account — it was the firm's money," said chief executive Mr Geoffrey Lederman. "He must have had a rush of blood to his head."

The announcement was made after Smith New Court's share price had fallen 20p to 168p as rumours circulated that the firm had lost as much as \$5m. This isn't such a disastrous loss in the context of the profits and losses we are continually making," Mr Lederman said.

Smith New | Tricentrol issues valuation of assets to aid Elf bid defence

BY STEVEN BUTLER

offer of 145p per share.

ERC assumes a Brent oil price of \$18 per barrel in 1988, rising to \$27 dollars in 1994, and rising by the stock brok
The entire package would be petroleum services department to \$27 dollars in 1994, and rising by the stock brok
The entire package would be petroleum services department of James Capel, the stock brok
ERC assumes a Brent oil price was being prepared by the conditional on a rejection of the petroleum services department.

ing by 5 per cent per annum ing firm. price yesterday closed up 3.5p afterwards. The sterling/dollar The proposed financing pack-

Louis Newmark advances to £0.6m

and precision engineer and \$23.25m (\$20.4m) and included watch distributor, raised its profit from \$518,000 to \$611,000 and this, the directors For the first time a charge of two subsidiary offsetting probability. said, was in line with expecta-tions.

For the second half they were looking for a similar figure. In the previous year the profit was \$1.04m.

EARNINGS PER SHARE (1981/2 = 100)

section of two business disposals.

For the first time a charge of \$182,000 has been made for depreciation of previously capitalised development costs at Newmark Technology.

The watch division increased turnover by \$1.8m. Gross profit shows the first time a charge of turnover growth in the automotive subsidiary offsetting problems in the gauging industry.

Earnings rose to 13.4p (11.4p) and the interim dividend is up to 5.3p (5p). Closure and reorganisation costs absorbed \$45,000.

Kevin Doyle lifts stake in Waverley to 25%

MR KEVIN DOYLE yesterday strengthened his possible blocking vote against the proposed management buy-in at Waverley Cameron by Mr James Gulliver, Argyll Group chairman. Mr Doyle said his company. Flavell Communications, had raised its stake in the Scottish stationery group to 25 per cent.

With the 13 per cent stake already held by Mr Gulliver's company, Sanda Investments, excluded from voting on the planned share issue, this gives Flavell nearly 29 per cent of the eligible voting shares at an extraordinary general meeting for which the date has not officially been set.

Waverley says the proposals which compares with vesterwill be presented as ordinary day's market price of 440p, up resolutions, requiring approval.

CoxMoore result boosts plans for expansion

BY CLAY HARRIS

created in July by the reverse takeover of knitwear maker Harold Ingram, yesterday reported interim pre-tax profits of \$904,000 and said it was exploring opportunities for suitable acquisitions.

Mr Michael Renton, chairman and chief executive, said expansion would come in all divisions: knitwear, fabrics, clothing and underwear.

S34.1m (\$26.4m).

CoxMoore comprises the activities of lagram as well as the cost of withdrawing from two former private companies, common and Read son Group. The comparable fig. of UK-made products — less the ures are based on lagram's gain on the disposal of its 27.5 results for the six months to october \$1 1986 and those of maker.

Readson (based on management

Readson (based on management accounts) for the seven months of \$25.2m at yesterday's unchanged share price of 113p.

Electronic Machine progress

proposed to make 0.9p for the year. No payment was made for 1985-86 when a loss of £12,284

Electronic Machine, radar said optical components maker, has kept up its profit improve being proceeds from the saie of Britannia Precision's factory, being proceeds from the saie ment and, for the year ended \$170,000 less reorganisation september 30 1987, produced expenses. Turnover came to \$2.26m (\$2.16m).

Once again the figures were held down by significant losses at Britannia but, following the purchase of Bovall Engineering was incurred.
Included in this year's profit, however, was an exceptional purchase of Bovall Engineering in Angust, a substantial pick up was expected.

F. COPSON P.L.C.

Interim Results (Unaudited)

6 months to 31,10.85-
GROUP TURNOVER 11,393 3,539
GROUP TRADING PROFIT 307 \$9. after all charges, but before tratition TAXATION 165 21
GROUP PROFIT AFTER TAXATION 294 38 Minority Interest 3 2
PROFITS RETAINED FOR THE PERIOD 281 36
Earnings per share* 3.79p The 1986 figure has been restated to reflect the borus element of the rights issue in the period. CHAIRMAN'S REVIEW
I am very pleased to report increases of approximately 400 per cost in both

CoxMoore, the textile group On the same basis, and taking

unvisions: knitwear, fabrics, clothing and underwear.

The result for the six months to October 31 contrasts with a sided by a reduction in interest \$190,000 loss previously. Turnover rose by 29 per cent to \$939,000.

CoxMoore comorisation.

Test your knowledge of the communications sector. Which growth rate goes with which company?

1985/6 SOURCE HOARE GOVETT ADJUSTED FOR ISSUES

Three highly successful British-owned communications groups, all founded in the 1970's.

Three highly impressive financial performance records.

(Even Company C has achieved compound eps growth of 37.4% over the last six years; B and A achieved 68.1% and 142.1% respectively.)

If you follow the sector, you'll know the names.

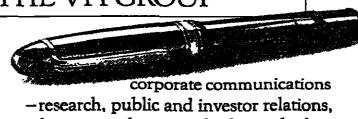
But could you, without looking at the bottom of this advertisement, have ranked their growth records correctly?

If not, we invite you to send the coupon for a copy of The VPI Group's just-published Annual Report.

The Report will tell you in detail about our progress in 1986/1987.

It will explain how, from the outset, we have focused on financial and

SAATCHI & SAATCHI THE WCRS GROUP THE VPI GROUP



advertising, design and a host of other consultancy services.

How our plans for an international network have taken a major stride forward with the acquisition of The Carter Organization in New York.



WAShER V = THE VPI GROUP, B = THE WORS OROUP, C = SAATCHI & SAATCHI

Why, with market uncertainties making genuinely effective financial communications more crucial than ever, we are distinctly optimistic about business prospects in the long term.

And why leading analysts have forecast VPI Group growth in earnings per share ranging from 109% to 120% for the coming year.

Amazing Free Offers are not, as you've probably gathered, our usual corporate style.

But this is one you really shouldn't

_	
	To: Christopher North, The VPI Group PLC, 32 Grosvenor
	Gardens London SWIW ODW

Please se Accounts for I		ır Annual Report and
NAME		
ADDRESS	<u> </u>	

UK COMPANY NEWS

Martin Dickson and Anatole Kaletsky on News Corporation's stake in Pearson

A question of financial firepower

HE Annual General Meeting was held at 36 Old Jewry, Landon EC2, on Thursday 21 January 1988.

The following are entracts from the Report and Accounts for the year ended

198			
Per Ordinary Share	1987	1986	Change
Earnings	4.63p	4_30p	+7.7%
Dividends	4.40p	4.25p	+3.5%
Net Assets	238.7 _P	265.1p	-9.9%

SCHRODER GLOBAL TRUST PLC

To achieve the best possible overall return of capital and income, the Company aims to maintain maximum flexibility in order to move between markets and investmen

The great bull market of the 1980's has ended abruptly. A nameal period of doubt has ensued. But many measures of long-term value would seem to indicate that the fall in world markets has already discounted a significant fall in world growth rates. Thus, while this may not be a time for robust forecasts, we believe that the year ahead will provide opportunities for the level-headed to capitalise upon uncertainty Schroder and find arractive investments at sensible Investment Management

MANAGED BY SCHRODER INVESTMENT MANAGEMENT LIMITED If you would like a copy of the 1987 Annual Report and Act ne reurn the coupon to: Schroder investment Management Limited, resiment Trust Department), FREEPOST, London EC28 27). Please send me a copy of the Schroder Global Trust 1987 Annual

Southvaal Holdings

Balance sheet

Distributable reserve

Current liabilities

Net current assets

Represented by: Participation rights — at cost

(Rthousand)

Share capital

Preliminary profit announcement

for the financial year ended December 31 1987

Subject to final audit, the income statement of the company for the year ended December 31 1987 and abridged balance sheet

31.12.86

404 173

11979

416 152

413446

203 590

209 856

212 556

98 800

114 400

213 200

4413

3769

807

2700

2706

COULD Mr Rupert Murdoch the stock market crash, News summon up the financial firecover to launch a £2bn takecial acid tests that really matcial acid tests that

McDonaid of First Boston.

But a contrary view is put forward by one UK analyst, Mr merely stating that the group Luke Johnson at Kleinwort Grieveson: "I don't think he can raise the money to bid for Pearson. I don't think he will bid."

The difference of animies

valuation of media companies and to the financing of highly leveraged takeovers. weight must be given to Wall \$11 a share.

Street's view. And the argument there is essentially twofold: even after

31.12.87

13 000

3916

16916

175 773

167 083

8 690

16916

31.12.86

13 000

3 769

16 769

5 776

212 769

204 776

7 993

16 769

industrial parts.

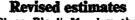
But News Corporation has long been a highly geared company and its accounting techniques have been the subject of entirely. When he first took a frequent controversy. It is stake in Pearson he indicated hardly surprising, then, that his main interest was in analysts disagree over its ability to go for Pearson.

Yes, Mr Murdoch could bid, insisted that he had no intensist some of the leading media tion or ability to make a takeres, Mr Murdoch could bid, insisted that he had no interinsist some of the leading media analysts on Wall Street. "I have over offer for Pearson, adding absolutely no doubt he could do that he would never take his that plus a lot of other things if he wanted to," says Mr Richard McDonald of First Boston.

But a contrary when is not subsequently by News Corporation, appeared lines alear out.

The difference of opinion in Pearson's circumstances reflects a more conservative though a News Corporation attitude in Britain both to the spokesman insisted Mr Murvaluation of media companies doch's remarks still stood.

Before the stock market crash, UK brokers' analysts But since Mr Murdoch would reckoned that, to stand any almost certainly be relying on chance of success, an offer for US banks to finance any offer Pearson would need to be for Pearson, a great deal of pitched at between \$10 and



Since Black Monday those down, but analysts point out that investors still have fresh in their minds the fact that last September Mr Murdoch paid 925p a share for much of his stake. It would therefore be hard to win them over much below that level, with a full bid valuing Pearson at around

Since Mr Murdoch already owns a fifth of the equity, he would need to find £1.6bn to fund a bid. And much, if not all, has sold a 50 per cent stake in of that would have to be in it to William Collins, the British cash: in the wake of the crash, investors are reluctant to accept a company's paper, and News Corporation's shares News Corporation's shares deal was to give News Corpora-have suffered a particularly tion some US\$116m in cash,

Moreover, Mr Murdoch has in take a further USE300m in debt the past been reluctant to issue shares which would dilute his control over the group. Some 46 per cent of News Corporation's shares are held by Murdoch family interests, mostly through the investment com- newspaper chains, and the pany Cruden investments.

Pearson share purchases, which to be a share of the fox preference shares, the family interests, mostly ing shares in two Australian through the investments.

Pearson share purchases, which the investments of the pany Cruden in debt of the balance sheet.



included the treatment as An alternative simulation, equity of A\$1.26bn of 5 per assuming significant downturns cent covertible notes issued by in all News Corporation's busi-News Corporation last year as nesses as a result of recession, part payment for its takeover gives annual cash flow of of the Australian Herald and A\$1.05bn and an interest cover the last approximate the second of the control of the con Weekly Times group. It also of 1.7 times. But even this is excluded from debt some quite conservative in relation to A\$690m of high yielding pref- the rule of thumb of 1.5 times erence shares issued during the used by many media snalysts in acquisition of the Fox television stations in the US in 1986.

Furthermore, the group's assets include A\$744m of goodwill, while the main fixed assets are A\$4.85bn of intangibles -publishing rights, titles

A significant factor in the reduction of the debt/equity ratio was a revaluation of News Corporation's mastheads, producing a surplus over cost of A\$870m, which would not be

harp fell and also give it the ability to
Moreover, Mr Murdoch has in
he past been reluctant to issue off the balance sheet.

through the investment com- newspaper chains, and the referred to the Ronofolies pany Gruden investments.

Pearson share purchases, which Commission, and most observed it worthy to that level? The \$250m.News Corporation's borthast it worded be

it-worthy to that level? The question is complicated by the fact that the group draws up its accounts under Australian conventions, which are more liberal than those in the UK and the US, and it is adept at making best use of these differences. But, by whatever standards are applied, it is a heavily geared business.

The balance sheet at June 30 last year, produced by News Corporation's borrows up its accounts under Australian conventions, which are more liberal than those in the UK and the US, and it is adept at making best use of these differences. But, by whatever standards are applied, it is a heavily geared business.

The balance sheet at June 30 last year, produced by News Corporation's borrows accounts under Australian conventions, which are more liberal than those in the UK and the US, and it is adept at making best use of these differences. But, by whatever standards are applied, it is a heavily geared business.

The balance sheet at June 30 last year, produced by News Corporation's born the time account in its latest annual report, showed shareholders' equity, stripping out outside interests, of A\$4.89bn (\$1.95bn) compared to short and long term debt of gests that News Corporation's born are stimated to stand in the Wall Street analyses but by cash flow. The Murdoch has a green light, without at ability declined marginally in least selling off his other qualities, The Times.

Even though Mr Murdoch has a given the nature of the stand provention and strength history for dodg-to the state of the balance sheet in green light, without at ability declined marginally the the first quarter of this bear analysis permain even though Mr Murdoch has a green light, without at ability declined marginally the time a green light, without at ability declined marginally in the first quarter of this bear market point of the stand intended in a now at around A86bn.

Even though Mr Murdoch has a green light, without at ability declined marginally in the first quality dealined marginally in the first quality dealined marg

interests, of A\$4.89bn (\$1.95bn) compared to short and long term debt of gests that News Corporation's A\$4.43bn.

Borrowings as a percentage of shareholders' funds fell from 175 per cent the previous year to 90 per cent – still high by UK standards. And that figure rest cannot analysis by Jar-Pirst Boston's Richard McDongrest Richard Richar



Lord Blakenham, chairman of Rapert Mardoch, chief excessive of News Corporation

Interest burden

interest burden by around A\$360m. But a rapid sele of Pearson's non-media interests might reduce that by nearly half, while there would also be significant boost to cash flow. Yet even if he could raise the

Mr Murdoch may also be cal-culating that even if he does not launch a hid for Pearson, someone else is likely to do so, and his large stake will give him a substantial say in any subsequent hysak-am. quent break-up.

But whatever his motives, he seems unlikely to remain a passive investor in Pearson for very long. His recent topping up of his stake to more than 20 up of his stake to more than 20 per cent means that he can "equity account" it — in other words, take a proportionate share of Pearson's profits into his own pre-tax total.

That may look good on paper, but not in cash flow terms, where the cost of holding the stake is around \$30m a year (subtracting likely Pearson dividends from the interest due on the funds used to buy the

the funds used to buy the

Furthermore, looking ahead a year or two some analysts question, whether either the profitability or cash flow of News Corporation is likely to grow as rapidly as in the past without a major new acquisition.

The UK is currently the group's main engine of organic

group's main engine of organic growth, thanks in large mea-sure to the rationalisation benefits of its newspapers move to Wapping, But once these benefits are exhausted and Mr Mur-doch's competitors catch up with his lower production costs, his UK newspaper business could be near saturation point, unless the siling Today manages to capture the middle ground from the Dail Mail and

In Australasia, the rationalis-ation benefits of last year's To add \$1.6bm, or A\$4bm, to Heraid acquisition are only now this total through a bid for beginning to flow in and, Pearson could increase the according to Jardine Fleming, these benefits will be the major ingredient to growth for the balance of the decade." Beyond that, however, Mr Mur-doch may have limited opportsnities of increasing his already dominant position in the Aus-

A\$870m, which would not be possible under US conventions.

Since the year end, there have been some substantial changes in the financial picture: Mr Murdoch, who bought the US book publisher Harper & Rowe for US\$300m last May, has sold a 50 per cent stake in it to William Collins, the British publisher in which News Corporation has a large minority of stake. The overall effect of the deal was to give it the ability to take a further US\$300m in debt off the balance sheet.

a significant boost to cash flow. Nities of increasing his already dominant position in the Australian market.

In the US Mr Murdoch's newspapers are performing poorly, and while his magazine and book publishing interests have a very respectable outlevel to hold more than television in the Australian market.

In the US Mr Murdoch's newspapers are performing poorly, and while his magazine and book publishing interests have a very respectable outlevel to hold more than television interests that analyses. The outlook for Fox well; senior partner in the Films, with two recently investment bank Lazard Freres is closely sits of seven stations and FBC, a featatise production network.

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ber and Lazard Freres is closely sists of seven stations and FBC, linked with the Pearson associated fielding production network ate Lazard Brothers.

Furthermore, a change in eventually challenge the domiownership of the Financial nance of the three large networks which the thr The seven actions are generating operating profits of A\$140m, according to Jardine Fleming, though their profitability declined marginality.

Dividends per share - cents Number of shares in issue

Retained profit

Financial results

Income statement

Royalty received from Vaal

Company Limited

Deduct: Expenditure

Profit before taxation

Profit after taxation

Transfer from general reserve

Dividends — No. 21 (interim)

Increase (1986: Decrease) in retained profit Retained profit brought forward

Earnings per share — cents

No. 22 (final)

Interest received

Reefs Exploration and Mining

Dividends Details of the dividends declared in respect of the year ended December 31 1987 are as a allows:

ended 31.12.87

341 637

10 363

352 000

348 667

174 320

174 347

174 347

93 690

80 600

174 200

3769

3916

671

26 906 900 26 000 000

3 333

	Dividend No. 21 (Interim)	Dividend No. 22 (Final)
Declaration date	July 23 1987	January 21 1989
Amount per share	360 cents	310 centr
Payable to members registered on	August 7 1987	February 5 1989
Payment date	· September I I 1987	March 11 1988

Declaration of Final Dividend No. 22

On Thursday, January 21 1988, final dividend No. 22 was declared as follows:	
Amount (South African currency)	310 cents per share (1986: 440 cents)
Last day to register for dividend (and for changes of address or dividend instructions)	1988 Friday, February 5
Registers closed from to (inclusive)	Saturday February 6 Saturday February 20
Ex-dividend on Johannesburg and London stock exchanges	Monday February 8
Currency conversion date for sterling payments to shareholders paid from London	Monday, February 8
Dividend warrants posted	Thursday, March 10
Payment date of dividend	Friday, March 11
Rate of non-resident shareholders' tax	15 per cent
	

The full conditions relating to the dividend may be inspected at the Johannesburg and London offices of the company and its

By order of the board

Anglo American Corporation of South Africa Limited per: S.H. Brummer, Companies Secretary

Consolidated Share Registrars Limited

1st Floor, Edura, 40 Commissioner Street, Johannesburg 2001 (PO Box 6105), Marshalltown 2107)

London SW1P 1PL Johannesburg

January 22 1988 Copies of this announcement are being posted to all members at their registered address.

Head Office 44 Main Street, Johannesburg 2001 (PO Box 61587, Marshalltown 2107) London Office 40 Holborn Viaduct London EC1P IAI

GGG

COMPANY NEWS IN BRIEF

PARKWAY GROUP is to purchase Eden Print for a maximum £1m, the initial consider-

SAMUEL MONTAGU'S Australian subsidiary has sold its 5.1 per cent stake in the ordinary shares of Western Motor Holdings, the motor dealer. Domin-guez Barry Samuel Montagu retained, however, convertible loan stock equal to 3.7 per cent of Western's enlarged share capital. The UK merchant bank, which arranged a management



buy-in at Western last March, ple into international marketing \$86.743 profit previously, has an 8.8 per cent interest in services.

HANSON, the industrial control \$73,539, and investment

part of the print for a maximum sim, the initial consideration of £60,000 to be satisfied by the issue of £50,000 ordinary shares. It is also buying D&R Litho for up to £30,000 with an initial £75,000 in cash and shares. These printing sector purchases bring the total number of companies acquired by Parkway since its flotation last July to eight.

HOLMES & MARCHANT is paying £1m to the vendors of Biggs Communications Group, being the first of three instalments of deferred consideration. Of this, £275,000 is cash and the balance in 321,264 ordinary shares-213,964 have been conditionally placed with investors. As a result, Mr FA. Biggs, director, becomes interested in a further 56,017 shares.

SAMUEL MONTAGU'S Austra-

Upon the instructions of The Hongkong Bank Group 193-195 Brompton Road, London SW3 FOR SALE FREEHOLD mixed commercial/residential building with car parking of interest to occupiers, developers and investors Contact: Lucinda du Boulay/Chris Fossick 01-499 8644 20 Grosvenor Hill, London WIX OHQ

UK COMPANY NEWS

Mountleigh meets City expectations with £35m

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23

<u>, :</u>

"There is no evidence that the recent sharp fall in stock markets is having any significant impact on property prices," he said, "and demand for commercial property remains strong. The second half of our year has started well with a significant volume of sales contracted and completed."

cial property remains strong. The second half of our year has started well with a significant volume of sales contracted and completed.*

His comments falled to stop the share price easing in line with a property sector depressed by yesterday's banking figures. Nevertheless, the \$22.38m advance in profits to \$23.42m was at the top end of City expectations for a period during which Mountleigh made two substantial acquisitions.

In June the component of the first disposals of assets in the PFPUT portfolio.

A profit of \$9.8m on the sale of investment properties was a taken below the line; as was a \$27.75m provision for unrealised to 1.25p.

Turnover was \$103.98m (\$56.81m), divided between (\$5.08m) and trading turnover of \$96.18m (\$56.73m). Operating profits amounted to sale in \$1.25p.

MR TONY Clegg, chairman pleted the purchase of Stockley and chief executive of Moan for \$385m in cash and shares, stors about the buoyancy of the company's business as the property group reported a near threefold increase in pre-tax profits for the six months to end-October.

Detect the purchase of Stockley for \$385m in cash and shares, and is estember it paid \$271m cash for control of Pension Fund Property Unit. Trust. In the second half, Mountleigh agreed to pay £153m for Galerias Preciados, Spain's second largest department store group.

Growth in extrings per share was 11 per cent, from 8.9p to 9.88p on a fully diluted basis. The interim dividend was raised 25 per cent to 1.25p.

is 22.33m advance in profits to is 35.42m was at the top end of its a period of investment properties was turing which Mountleigh made we substantial acquisitions.

In June, the company com-

Mountleigh's shares have been under a cloud since the summer when Mr Clegg attempted to stray from the property world with the abortive approach to Storehouse. Black Monday soured sentiment further, and in the last six months the shares have underperformed the market by nearly a quarter — a sad contrast to the previous five years when the share price was animated by compound annual growth in dividends, earnings and assets of in excess of 40 per cent. Although yesterday's figure were not enough on their own to reverse the trend, it seems odd that the market greeted Mr Clegg's confident prognosis with such indifference. Brokers marked up their profits estimates for the full year to around £82m, putting the shares on a prospective multiple of 8. Hardly demanding, especially in the light of a near 30 per cent discount to estimated net assets of 235p per share.

Denmans recovers to £1.1m mentary companies.

After tax of £430,000 (£308,000) and extraordinary items of £3,000 (nil), earnings per share rose to 16.2p against 13.4p last time.

Persyling gyprent trading Mr.

the time of the interim statement in July resulted in Denmans Electrical, USM-quoted dectrical goods wholesaler, recording taxable profits of \$1.1m in the year to end-September 1987 - a 28 per cent increase.

The outcome was achieved on a 15 per cent upturn in turnover from \$19.28m to \$22.15m.

Mr Arnold Denman, chairman, said the results confirmed the group's success in improvening the efficiency and strengthening the marketing ability of strength and confirmed the marketing ability of strength and strengt Regarding current trading, Mr Denman said four business in the first quarter has been buoyant and, providing the economy generally does not suffer a set-back, we are confident that we shall again increase earnings per share."
A final dividend of 2.65p is proposed, making 4.95p (3.85p) for the year.

Wassall ahead For the six months to July 31 1987 trading at J.W. Wassall, footwear retailer, was below target because of unseasonal

target because of unseasonal weather. However, trade picked up later in the year, exceeding targets over the Christmas period.

For the opening six months turnover totalled £1.42m (£1.38m) and profits £12,573 (£2,908) pre-tax. Earnings emerged at 0.69p (0.07p) per 5p share. The directors expected the results for the full year to top 1986-87's static £50,000.

ios 75 saaronig jabanin

Sumrie Clothes in equity issue as losses continue

BOSSI showed a loss before tax of \$104,000 in the year to July 31, but it is forecasting

July 31, but it is forecasting pre-tax profits of \$280,000 in the current year. Sumrie may pay additional consideration dependent on future profits.

Boardroom control at Sumrie changed last year when Master Financial and City & Westminster Financial acquired a 28.6 per cent stake cinco increased.

per cent stake, since increased to 29.5 per cent. Mr David Sin-clair became chairman and CWF's. Mr Andrew Greystoke

and Ms Sally Morgan became directors. Mr Michael Hepker, the former tax lawyer and his associate Mr Meir Spungin resigned from the board.

relating to stock writedowns and unpaid commissions.

BY PHILIP COGGAN

Sumrie Clothes, the strug-gling textiles company, yester-day announced a long-awaited equity issue, together with fur-ther substantial interim losses. The company is also making its first acquisition since City & westminster Figancial acquired beautroom control

Westminster Figancial acquired boardroom control.

The £500,000 equity issue was urgently needed to shore up the balance sheet. In the company's annual report, net assets were just £383,000, less than the paid-up share capital. And in the six months to September 30, the company incurred a further attributable loss of £298,000.

The company is offering

10ss of \$298,000.

The company is offering 1.25m shares at 40p each, compared with Wednesday's closing price of 75p. The shares are being conditionally placed with investors, but will be available to shareholders on a one-fortwo basis. Mr Greystoke said that the company when taken over had a low order book and a number of contracts at unattractive prices. An exceptional debit of £129,000, much of which related to previous years, was needed to reflect stock write-

two basis.

Sumrie has also agreed to acquire Betty Owen Enterprises (BOED, a US group, for 368,000 ordinary shares plus a cash payment of \$300,000 (£167,000) for preference stock.

In a complicated deal, BOEI is buying Betty Owen Secretarial Systems (BOSSI) in a leveraged Systems (BOSSI) in a leveraged Edudata Corpora-

In a complicated deal, BOEI is buying Betty Owen Secretarial Systems (BOSSI) in a leveraged buyout from Edudata Corpora-tion. BOSSI provides specialised audio-visual secretarial and staff training programmes and Sumrie says the acquisition is the first step in a long-term dividend. Sumrie's shares closed down 8p at 67p.

Prism Leisure up 22%

Prism Leisure, which joined gins continued to improve in the USM last February, increased pre-tax profits by 22 per cent from \$223,000 to \$2.81m and earnings per 10p \$273,000 in the half year to share on a weighted average end-September despite lower basis worked out at 4.8p (4.7p).

demand for its computer games software.

However, sales of records, cassettes and compact discs were greater than had previously been estimated and mar-

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interms or finals and the sub-dividence surpose below are bessed mainly on last year's tissetables. TODAY Interime – BCE Hobbings, A.Caird, Cantons, Land Leisure Finish – Greenfrier investment Torogmorton Trust —

on the move

- Year on year like for like sales growth excluding inflation has been 3.3% overall, with 4.1% in food.
- We will open 9 Superstores this year.
- Growth in refurbished stores is very satisfactory.
- Gross margins continue to improve.
- Operating net margins improved from 5% in last year's first half to 5.7% in this first half.

"We've grown ASDA's profits by 30% whilst at the same time managing our very considerable investment in the future.

The powerful momentum of sustained growth is only now beginning."

John Hardman

Interim results 28 weeks to 14 November 1987

ASDA-MFI GROUP PLC

For copies of the interim statement, please write to the Group Company Secretary: ASDA-MFI Group plc, Axis House, 3 Rhodes Way, Watford WD2 4PP

John Beales lifted its profit from \$602,000 to \$812,000 in the half year ended November 30 1987, and remains comfident of further growth in the current period. Liquidity remained high with funds available for expansion, the directors said. Textile division (men's socks, underwear and outerwear) maintained margins on higher turnover, while Truda Components contributed to profit after reorganisation. The refrigeration division form that a good half, including a first time contribution from businesses acquired in Stoke-on-Trent. Southern & Redfern, acquired since the half year, was being reorganised and unlikely to make a profit for the rest of the year. The picture should change next year. Group turnover for the six months came to \$11.99m (13.5p) and the interim dividend is raised to 1.65p (1.5p). For the year-ended May 31 after reorganisation. The refrigeration division from businesses acquired in Stoke-on-Trent. Southern & Redfern, acquired since the half year, was being reorganised and unlikely to make a profit for the rest of the year. The picture should change next year. Group turnover for the six months came to \$1.99m (18.5p) and the interim dividend to 1.65p (1.5p). For the year ended November of time contribution from businesses acquired in Stoke-on-Trent. Southern & Redfern, acquired since the half year, was being reorganised and unlikely to make a profit for the rest of the year. The picture should change next year. Group turnover for the six months came to \$1.99m (18.5p) and the interim dividend \$5.5p.

THE RECOVERY signalled at the electrical wholesale busi-the time of the interim state-ness. We are confident that we

John Beales advances

to £0.8m at midterm

Acquisition helps lift Hill & Smith to £3.5m

Taxable profits of Hill & This had encouraged the group in pursuing an active acquisition policy, he added.

The current year had begun over 70 per cent to a record well, he said, with record activity in each of the group's three divisions.

Taxable profits of Hill & This had encouraged the group in pursuing an active acquisition policy, he added.

The current year had begun well, he said, with record activity in each of the group's three divisions.

Tax took \$1.27m (\$696,000), leaving earnings per share of 15.41p (9.36p). A final dividend of 3.025p is proposed, making the formational, the tunnel lining war. A 1 for 10 scrip issue is proposed.

Samuel Heath improves

PROFITS OF Samuel Heath & would at least be equalled.

Sons, giftware and hardware manufacturer, rose from a at 4.9p (1.6p) per 10p ahare depressed £79,000 to £236,000 and a first interim dividend of pre-tax for the six months in sended September 80 1987.

With the exception of the US division all sections enjoyed satisfactory trading conditions.

The directors said trade continued to be buoyant and that arrangements in the US had been drastically altered.

They hoped that 1986-87's pre-tax profits of £549,000 Coldfield during 1988.

Abingworth * net assets improvement

team.

The directors said that despite the nervousness and volatility of the financial markets, they believed it was right to be cautiously optimistic. The portfolio contained a substantial number of soundly-many aged and well-financed companies with high growth potential and the directors believed that their fundamental strengths would be reflected in the company's assist value.

ted to achieve pre-tax profits for the year to end-December 1987 of not less than \$300,000.

Derby Trust

Perby Trust reported net asset value at end-December 1987 of 293p. (306p) per 10p capital share. Second interim dividend was 6.0966p (4.8609p) making a total of 10.849p (9.1153p) per 25p income share.

Halftime rise at Whinney Mackay-Lewis

Abingworth, venture capital investment group specialising in the high technology sector, reported net asset value at 313p on December 31 1987, still up on the comparable figure of 306p despite the fall in quoted markets from October 19.

In the six months to end-December the company increased pre-tax profits from \$65,034 to \$272,848 while total income reess nearly 70 per cent from \$432,497 to \$2730,651.

This compares with pre-tax profits of \$385,000 for the year profits of \$385,000 for the year profits of \$385,000 for the year and total income of \$1,29m (\$1,3m). Interim earnings per 10p share doubled to 0.34p after tax of \$3,990 (\$29,508). However, administrative expenses increased from \$267,463 to \$657,803 as a result of the expansion of the management team.

The directors said that despite the nervousness and



FREEGOLD

Free State Consolidated Gold Mines Limited

Incorporated in the Republic of South Africa

Issued Capital: 116 179 121 shares of 50 cents each

Report of the directors for the quarter ended **December 31 1987**

The following are the results of the company and its wholly-owned operating subsidiary, Free State Consolidated Gold Mines (Operations) Limited.

	ended Dec. 1967	anded Sept. 1967	encied Sept. 1987	ARER MINO AND ENAMOR	u Brown				•		
OPERATING RESULTS		·	:	OPERATING AND FINANCIA	T KF2DF12		Ver	DEVELOPMENT—continued		Servoied	
Gold	-	759	3.500		ended Dec. 196	ended	ended Sept. 1987	metre		gold	LERGUE
Codd Azen mined—m² 000 Text mailed 000—reel —ournp reclamation	4821 854 5 675 4.92 0.75 4.30 24.584 867.11 84.78	4251 628	18849 4019	Metallurgical Scheme					enth em	g/1 cm.g/t	kg/1 cm kg/l
Teid—g/t—real —dump recisiveton	5 675 430	5 079 5 12 0.85		Pyras totation plants				SOUTH REGION			
	· 430	442	. 4.35 99.526	sienes treated—long—200		3 545	15 745				
Production—ig Cost—R/mi missed —R/mi, shibad —R/m, shibad	867.11 96.76	22 465 615 30 91,85 20 789	5 10 0 85 4 35 98 528 532 88 83.65 19 220	urenum—19/1. pulchur—per cent		7 490	0.07 0.85	Guerter ended Decomber 1987			
—R/kg produced	22 596	20 799	19 220	15ranium plant	64		0.45 4 124	President Brand Mine	1 160 62.1	19.66 1.221	0.07 4.12
Gold—R/kg	30 21 1 . 476	30 257 456	28.867 425	sings treated—larg—000 . concentrate treated—tone—000 . uranum oxide produced—kg .	125.81	8 658 9 98 9 101 318	420 457 878	Lander reef 3 150	1 558 1524	2 40 366	0.08 12.15
				Acid plant and produced—lans		T 89966	372 352	"A" reed 1 584 "B" reed -	120 68-2	3.77 257	0.04 3.05
FINANCIAL RESULTS				Gold plant Cations treated—tons pyrits treated—tons gold produced—to	3025 . 761	1 78 122 2 8 586	319 262 48 105	Mikdle reel 80	56 776	13.11 1017	0.03 2.06
·	8 million 777.9	7 milion 726.5	R sellion 3044 <i>2</i>	gold smduced—kg	N militin	t 677 n Rodion	2764 A million	President Steyn Mine	594 525	a- a- a-a-	0.21 17 10
Territoria				Risvatual	34. 28.	503 5 291	156.1 100.1	Basel reef 5777 Leager reef 451	155 128 4	35.25 2.908 3.40 437	0.19 25.00
Gold-marana	743.9 548.7	467.D	2 888.1 1 912.9	Capital expenditure	12	21.2 31	58.0 19.0	"A" reef 1 824	548 T17.2	4.39 616	0.14 15.95
profit	185.2 19.5 . 8.5	209.2 21.2 22.4	976.2 58.0 . 71.7			•		Free State Sasiplaas Mine	1942 83.3	8.07 672	0.26 20.61
	214.2	252.8	1 1029	SHAFT SINKING				Leader reef 655		3.00 276	0.29 25.73
Dedect Royalty payable to Eastern Gold Holdings Limited	. 6.9	0.6	. 05	North Region				Erfdeet			
Profit below testion	213.3 13.4	262.2 2.8	1 102.3 290.0	Freddes Mine	metre	s mežres	treples.	Sami red 8 863	796 65.5	13.04 871	0.45 3040
Profit after texaction. Appropriation for otapinal expenditures after loan	194.9	249.6	872.3	No 1 ventilation that: Advance Depth to date:	··		620 1 506 1 181	Totals Bess reet			
Appropriation for capital expenditure after loan	122.8	156.1	517.4	Depth to deal				Quarter ended December 1987 42 172		18.84 1 208	0.31 20.19
Profit meliable	72.7	99.5	354.D	Decth 20 date	. 120		827 901 47	Custrier anded September 1967 33 403 Year ended September 1967 152 743		22 46 1 179 25.42 1 268	0.43 22.38 0.34 18.84
Dividend-Interim			180.1 180.1	Station cutting No. 18 sub-vertical sheft			7	Lander red Quarter ended December 1987 7 872	3050 131.9	2.18 417	0.15 19.90
Decrease in retained profit			5.3	Advance Depth to date	. 3 .: 57	77 533	270 533	Ouarter ended September 1987 5563 Year ended September 1987 34 231		3.30 366 3.65 445	0 14 15.99 0.15 18.16
Earnings per share—cents	120.5	80 173.1	306 648-2	South Region				"A" reof Quarter ended December 1987 6 329			=
Earnings per share—conty Capital expanditure—it region Loon from Earling Gold Holdings Limited— drawn to date—it milities	152.3	144.5	144.6	•				Quarter ended September 1987 6 088	1 158 101 6	3.86 482 3.48 354	0.12 14.66 0 12 12.08
. • •				No 5 main shaft	· ·		.441	Veer ended September 1987 26 420	6468 1154	4.26 492	D 12 13.36
OPERATING AND FINANCIAL F	results			Depth to date Station defining. No 5 vontilation shaft	. 188 70	675	1 613 2 065	DIVIDEND The book distributed of 15th courts a storm in on	ment of the year easy		
North Region				Advence Depth to date		139 1749 205	702 1 749 632	The final dividend of 166 cents a stere in re on October 22 1967 payable to members regi 1967.	dered on November 6	1967 and was peed or	December 11
Gold Aren mined—er ² 000	_804	369	1950	Grant Charles				CAPITAL EXPENDITURE CO	MMITMENTS	3	
Tons miled-000-real	2291 127 2418 481 0.82 4.70 11.367 11.377 110.74 29.577	2052 73 2155 8.04 0.86 4 90	1 950 9 306 577 9 942 5 13	DEVELOPMENT				Orders placed and outstanding on capital co	ntracts as at Decemb		
-dump reclamation	4.01 0.02	8.04 0.86	5 13 0.76 4 67	Development values represent actival regult adjustments receiving at agtirpasing one reason	of mamping, no.	allowances having	been made for			For and on behal	
Production to Cost—R/m mintd	11 367 631 37	10 562 565 56 102 09	45,467 499,42 95,95 19,691	Arkence		Sampled		January 22, 1968		E.P. GUSH L. HEWITT	
Production—ig Cost—R/mp mined —R/mp medical —R/mp produced.	110.74 23 577		95.99 19.691	metres	matrice charmal width	pold	falleninur				
Restrict	R milion 348.4 267.7 78.7 37.8	R millon 3160 220.0 68.0 68.5	R m(2x00 1 408.4 654.4		CM	g/t cmg/t	lig/i cm lig/i	WELVON	AI D 114		
Costs Profit Capazi expenditure	71.7 27.6	98.0 68.8	964 4 452.0 179.7	NORTH REGION				WELKOM G		DING	>
				Quarter ended Decumber 1987					MITED		į.
South Region				Freddles Mine				Registration	n No. 05/244	64/06	
Gold Ans. mined—re* 000 Tone solled 000—res* —dump Applemention —intel Yield—g/1—rist*	41	270	1639					1	and		
-dump regimention	2 130 727 3 257	2 108 755 2 924 5.19 0.85 4 07	9 484 3 442 12 626 5.07 0.26 3,96	Basel roof 8435 Leader roof \$17	192 26.7 56 42.7	40.14 1 162 11.64 487	Q.44 T8.63	ORANGE	FREE	STATE	
	127 434 074 400	5.19 0.85	5.07 0.28	"A' reef 1915 "B" reef 67	84 51.0	6.10 211	0.83 16.54	INVESTM	ENITEL	BAITED	ľ
- Everage. Production - Eg Cost - R/ref mined - R/non milled	4,00 13,027 £84,18		51 066 584.82 74.75	The development reported includes development State Development and Investment Corporation	ent by Freddies Min n Limited	o in the area under I	pripute Iross Free				1
=R/non miled —R/ng produced.	21.570	667.58 84.48 20.751	18 773	•				f	No. 85/057		
Revenue	. R 11200 397.5 281.0	R million 3602	. 7) milion 1 481 7	Free State Geduld Mine .	·.			(Both of which are in	corporated in uth Africa)	i me kebabi	IC OF
Coets Profit Capital appearance	281.6 116.5 \$1.5	R rettion 360.2 247.0 113.2 101.2	· 523.2 - 523.2 - 358.5	Basel reel 4.484 Lasder reel 923	526 28.1 326 109.3	23.68 910 4.23 482	0.25 10.51 0.26 30.67	i			,_
The stone includes the following results relating to the Entdoor Leans area	31.0	M17	8362	"A" reef 594 Eleburg reef 15	118 268.5	272 731	0.08 21.52	The attention of sharel	noiders of tr the above re		es 13
App mined—m 000				Pyrite med 1689	BT2 289.2	958 1038	B.08 18.08			-	. 1
Arse mined—m* 000 Tons milied 009. Yest—opt. Production—kg	66 263 171	5Ö 2,92 148	80 2,92 148	Western Holdings Mine				London Offices: 40	Holbom Viadu	uct, EC1P 1AJ	' [
	R culton	R million	R million	•	en	M3.47 1.6=6	1,03 18,41	The Transvaal Group's qu			other
Costs	45	44 37 07	· 37	Basel reef 2 169	224 17.8 620 115.9	92,47 1646 4.36 509	0.25 28.44		this newspap		1
Capital Augustaliums	40.0	428	149.5	'X ree! 418	60 138.7	224 313	9.08 8.66				

Aid agency | seeks improved funding

By John Madeley

AT ITS meeting in Rome next week the International Fund for Agricultural Development, the UN's hard-pressed small farmer agency, will be seeking a method of funding that enables it to meet a growing number of requests for aid to third world agriculture.

The agency, set up ten years ago to get aid through to the poorer farmers that larger aid agencies were missing, is funded jointly by Western and oil exporting countries. So far it has lent \$2.4bn to 89 developing countries, giving small farmers access to seeds, fertilisers, credit and other

inputs.
It claims that its efforts have led to the production of an additional 24m tonnes of cereal, helping 110m of the poorest people in developing countries.

The weaker state of their economies in the 1980s led to the oil exporters to seek a cut in their contributions to the fund. With the US, the agency's largest contributor, unsympathetic to this request, the fund has fallen victim to a donor wrangle and is currently receiving less than half the money \$460m that it received in its first three years. Oil exporters contribute 40 per cent of the

"The funding arrangement as it is cannot continue," said an agency official; "The oil coun-

tries are too weak."
At next week's Governing Council meeting, which marks IFAD's 10th anniversary, Mr IFAD's 10th anniversary, an Idris Jazairy, its Algerian president, will report on the findings of a committee which has been looking at how to increase the organisation's funding to meet the demand for loans.

The report will propose that a "new coalition" be set up with a view to giving the agency a more secure financial future. Middle-income developing countries, Brazil for example, will be asked to contribute more to make up for the fall-ing contributions of oil

exporting countries.

IFAD officials say that the middle-income countries are generally sympathetic to the

Other proposals to be considered include the establishment of a banking affiliate to augment resources; that the organisation be allowed to borrow from governments and on the market; and that a trust fund be created to increase financial flows.

further proposal is that it should seek more co-financing with other aid donors although this is already well loans has been matched by another \$7.5bn through co-

Nymex drops plan to link with IPE

THE NEW York Mercantile Exchange yesterday pulled out of a proposed joint venture with the the London-based International Petroleam Exchange that would have allowed trading of have allowed trading of Nymex contracts in London.
The decision came as a surprise, and is a blow to the development plans of the IPE, which has several times failed in efforts to establish a futures contract to contract of the IPE.

in crude oil. Mr Peter Wildblood, IPE

Mr Peter Wildblood, IPE executive chairman, expressed great disappointment at the decision.

"We have learned of the Nymex decision with regret—not to say a little surprise in view of the very positive way negotiations have been progressing hitherto—since we believe such a link would have been not only in the best interests of both exchanges but of the world oil trade as a whole," he said.

Ms Rosemary McFadden, Nymex president, said the Nymex board had decided to pall out because it "isn't in the exchange's best inter-

in the exchange's best interests at this time."

Nymex still wants to make its markets more accessible to the international oil community, according to Ms McPadden, and a move to London was only one way to do this. "We will now look at some modification of our trading hours either by extending hours either by extending our hours in New York or some sort of screen trad-ing," she noted.

Nymex has the option of listing its oil contracts on the Post Market Trade screen trading system being set up by the Chicago Mer-cantile Exchange and Reu-

However, since Nymex's

contracts have enjoyed their great success of recent years, floor traders have been very protective about their business. "There is a feeling that this market works very efficiently and we don't understand what will happen if we change that," one trader commented.

Added to that, some trad-ing operations were con-cerned that the extra business to be gained from London would not warrant the expense of expanding across the Atlantic. "At the moment we can do

"At the moment we can do it all in five hours and it makes it a lot easier to get things done," commented Ms Mary Begonia at E.D. & F Man International, who says her European customers are used to using Nymex. US oil refiners themselves have resisted any move to extend trading hours that would keep them staying at their screens for any longer than they do now.

The decision will force the IPE to concentrate on other directions for devel-

opment.
"The IPE will now actively pursue other avenues which have been under consideration but had been consideration but had been put on hold pending Nymex's response in line with the IPE's responsibility to its members and the oil trade, especially in Europe, the Middle East, and the Far East," Mr Wildle and blood said. Mr Wildblood yesterday

declined to elaborate on what those avenues for

LME lead supply squeeze looms

TRADERS FEAR that the London Metal Exchange might be very short of lead in mid-February – the 16th and 17th seem to very short of lead in min-revru-ary - the 16th and 17th seem to be the key dates - but analysts are sceptical about suggestions that an attempt is being made to corner the market. Nor do the LME authorities seem to feel that any more than the normal level of vigilance is required in the current circum-stances.

Concern about the situation

Concern about the situation drove up the cash price of lead yesterday by \$24.75 to £394 a tonne and widened the premium over the price for metal to be delivered in three months time (backwardation) from £21.75 to £46.50.

Fundamentals

Briggs, analyst with Shearson Briggs, analyst with Shearson Lehman Brothers' London Met-als Research Unit, pointed out: "It would not be sensible to attempt to squeeze the market when the fundamentals are going in the wrong direction. The price of lead was falling and it has the potential for fur-ther falls".

Mr John Harris, analyst with metal traders Rudolph Wolff, said: "Lead prices are expected to drift down as the year prog-resses". Wolff estimates that lead consumption this year will increase by about 2 per cent and production by 3 per cent to provide a 56,000 tonnes sur-

Both analysts pointed to the fact that the price of lead for delivery in three months did not change yesterday, a sure indication that traders did not what those avenues for development might be.

The IPE has established reasonable liquidity in gas oil futures, but other contracts have failed to catch on.

Hulication that traders did not feel there would be any fundamental shortage even though LME stocks are currently very low at 13,250 tonnes and it would cost only about £6m to buy it all.

Brussels and Bonn strive for compromise on farm policy

BY TIM DICKSON IN BRUSSELS

THE EUROPEAN Commission and the West German Govern-

no prospect of agreement if Bonn maintained its current

month's emergency Summit in Brussels, though optimists hope that Bonn's political need to placate its powerful farm lobbies may be only a temporary thereafter.
obstacle to genuine progress.
Possibly

THE EUROPEAN Commission and the West German Government were yesterday working on options for a possible compromise package of farm policy reform amid clear signs that Bonn is now trying to water down the Commission's tough market-orientsted approach.

The move follows Wednesday's decision by Mr Ignaz Kiechle, the West German Farm Minister and current chairman of the EC Council of Agriculture Ministers, to adjourn this week's inconclusive council meeting until tomorrow afternoon. It is designed to yield a new paper which will break the long standing negotiating deadlock between member states.

Commission officials, however, were highly dubious about the chances of finding a formula which Mr Frans Andriessen, the EC's Agriculture Commissioner, would be table to back, while British diplomats warned that there was no prospect of agreement if threshold, or maximum guaranteed tag to the part of the paint of the package which they considered to be peripheral and of the part of agreement if threshold, or maximum guaranteed to be peripheral and of the particular on this part of a package.

The tactics of Mr Kiechle now Klechle's apparent intention to most entired on the substitute the so-called set-most file and the substitute the so-called set-most file substitute the so-called set-most file and the substitute the so-called set-most file substitute the so-called set-most matter woon countries and the substitute the so-called set-most matter woon countries and the substitute the so-called set-most most enthusiastically behind the commission's ideas for buddent production targets doubt no fer substitute the so-called set-most huse of the scheme said said set of the stable and the substitute the so-called set and the substitute the so-called set and the substitute the so-called set and the s The tactics of Mr Kiechle now for British concern is Mr

threshold, or maximum guaranteed quantity, of 158m-160m approach.

This week's developments would appear to have dimmed the chances of overall agreement on the Community's long term budgetary plans at next (1.9m.) and 1.2m tonnes (1.1m.) and 1.2m tonnes (1.1m.) and 1.2m tonnes (1.1m.) (1.9m.) and 1.2m tonnes (1.1m) for soya. Price cuts for oilseeds in the first year should be restricted to 5 per cent, and limited by increases in yield thereafter.

Possibly the greatest cause

buying' blamed for wool surge By Chris Sharwell in Sydney

Panic

AUSTRALIA'S market indicator price for wool surged through the psychological barrier of 1,000 Australian cents a kg yesterday to beat the record set the day before. the day before.

The rise drew a sharp reaction from Mr David Asimus, outgoing chairman of the Australian Wool Corporation, who said it was the result of "panic buying" and would introduce uncertainty into the market.

He was speaking at the National Agricultural Outlook Conference in Canberra after the indicator price had shot up on Wednesday from 956 Australian cents a kg (clean) to a 995 cents. Festerday it finished at 1,004 cents.

The wool price has risen so strongly in the current selling season that it is expected to overtake coal as the country's general outline of an agreement on this part of a package."

The trouble, from the point of view of Britain, the Netherlands and the Commission, is that the Germans are attempting to emphasize an element in the package which they consider to be peripheral and of largely political and psychological significance.

The Commission is likely to play a key role in the next few days since Mr Kiechle claims that most other member states

season that it is expected to overtake coal as the country's biggest export earner, reviving the old cliche about Australia "riding on the sheep's back."

Disruptive effect

The sudden increase seen over the past two days is remi-niscent of a similar surge last August and September, which had a disruptive effect on the

had a disruptive effect on the market.

Then, the indicator price least to 945 cents, only to fall back to 794 cents. The reversal prompted the Wool Corporation to raise its support price to shore up confidence.

So far this season the indicator price has averaged 873 cents, 53 per cent above the comparable figure in 1986-87. The trade clearance rate at auction has averaged 96 per cent, compared with 86 per cent last season.

Recent heavy sales from the

Recent heavy sales from the Corporation's atocks have reduced them to 100,000 bales from 145,000 at the end of 1987. In October 1984 its stocks stood at 850,000 bales.
"I am confident that the factors that have contributed to this strong demand will continue to underpin the market for the remainder of the senson," Mr Asimus said yesterday.

day. But he said the longer term

picture depended critically on economic growth in major mar-kets. If there was a contraction, the corporation was well-placed to support the market through a counter-cyclical stock-holding role: stocks were low and the

Sugar deficit forecast at 4m tonnes

BY DAVID BLACKWELL

WORLD SUGAR production is account the severe drought Sugar available for export set to fall 4m tonnes below which is damaging the crop in will be further affected by an demand for 1987/88, taking north-east Brazil. world Sugak production is set to fall 4m tonnes below demand for 1987/88, taking north—east Brazil.

The seriousness of the situation in the function in the function of the situation in the function in the demand for 1987/88, taking stocks down to the point where "from time to time there may be insufficient to meet unexpected shocks in the short term," according to C. Czarnikow, the influential London broker.

Czarnikow now revising its estimates for world supply and demand, taking into particular cown in the seriousness of the situation in the Philippines crop, which has been inputed in the situation in north—east Brazil expected reduction in the Philippines crop, which has been inputed in the probability of the country's cuba also has "very serious near term commitment probability been appreciated, carnikow says in its latest carning the produces much of the country's cuba also has "very serious near term commitment probability been appreciated, carnikow says in its latest country's supplies the produces much of the country's cuba also has "very serious near term commitment probability been appreciated, carnikow says in its latest country's supplies trop, which has been insufficient to meet unexpected produces much of the country's cuba also has "very serious near term commitment probability been appreciated, country to do the demand side, Chinese imports seem likely to rise further this year as consumption is produces much of the country's recently been appreciated. Cuba also has "very serious near term commitment probability by drought, and typhoon.

Czarnikow now revising its demand, taking into particular demand, taking into particular demands and the probability of the country's supplies the produces much of the country's cuba also has "very serious near term commitment probability of the country of the count

days since Mr Kiechle claims that most other member states are broadly in favour of his proposals. In the absence of a formal Commission endorsement of his ideas, any decision by the Council would have to be unanimous.

New Zealand lambs go west in search for wider markets

A MEDIUM-SIZED freighter and the CT & H Company of spare capacity in feedlots in tied up at Timaru wharf, in the Portland, Oregon. It involves Oregon.

The live sheep trade has been a sensitive issue, on both political supplies and an animal supplies animals for non-religious consumption.

The live sheep trade has been and supplies animals for non-religious consumption.

In the past, the trade has amounting to the equivalent of animal supplies animals and animal supplies animals and animal supplies animals and supplies animals and

history in New Zealand's siangner noises.

In the US, the deal has been for its prime export. The trade in live animals to the Middle East is now well established, but this is the first time lambs have gone west.

The new deal is between New Zealand's mission the mainty of older animals whose wool-bearing or breeding days are over. For the last three years, New Zealand sheep farmers, who have apparently are over. For the last three years, New Zealand sheep farmers are over. For the last three years, New Zealand sheep farmers are currently receiving very lamb, are over. For the last three years, New Zealand sheep farmers are currently receiving very lamb, are over. In New Zealand, one result of the opposition has been the creating age of US lambs, together with age of US lambs, together with attempt to broaden the market In the US, the deal has been mainly of older animals whose wool-bearing or breeding days are over. For the last three years, New Zealand sheep farmers are currently receiving very lamb, are over. In New Zealand, one result of the opposition has been the creating age of US lambs, together with age of US lambs, together with a siangner nouses.

Latala S trade, worth about trade, worth about trade, worth about the idiling procedures. It has also been opposed by encourage exports of chilled or force lamb.

New Zealand sheep farmers are currently receiving very low prices for their animals. Mr Board. However, Iran and the US, the deal has been mainly of older animals whose workers, on the grounds that the trade threat-encourage exports of chilled or force lamb.

New Zealand sheep farmers are currently receiving very low prices for their animals. Mr Board. However, Iran and the US, the deal has been opposed by American sheep opposed by an in this limit procedures.

In the US, the deal has been opp

COFFEE 2/tonne

Turnover:2232 (2631) lots of 10 tormes ICCO Indicator prices (SDRs per tonne). Daily price for January 21: 1473.17 (1478.77) .10 day average for January 21: 1448.78 (1448.05).

Close Previous High/Low

1272 1270

month, the animals will be offloaded on the west coast of the US. Then they will spend a lew more weeks on feeding lots before being slaughtered and sold as US-produced lamb.

The transaction is making history in New Zealand's slaughter houses.

Attempt to broaden the market lin the US. the deal has been

LONDON METAL EXCHANGE

cal and humanitarian grounds, in New Zealand and Australia, where it began in the 1970s. New Zealand's trade is as yet nowhere near the size of Australia's, which ships about 7m animals a year, chiefly to Saudi Arabia, Kuwait, the United Arab Emirates and Libya. Australia's trade, worth about A\$200m (£80m) a year, is

return of NZ\$15 an animal, backs the live sheep trade principally because it believes that, in the words of Mr. Allan Fracer, the general manager, it will production in the EC, particularly in Britain; and increased and lamb in Middle East markets, which could in turn meat and poultry. Over the last

delivered to the freezing works (slaughterhouse). The meat componentaccounts only for NZ\$5 to NZ\$6, the remainder being for the wool and skin. At this rate, farmers are barely able to break even.

role: stocks were low and the market support fund stood at A\$1.2hn (£478m). Wool promotion efforts would meanwhile remain essential to prevent an erosion of market share as high wool prices encouraged manufacture. ers to shift into competing fibres, Mr Asimus said. High prices would also encourage more farmers to produce wool. Mr Asimus warned that a downturn in demand later could lead to a rapid build-up in

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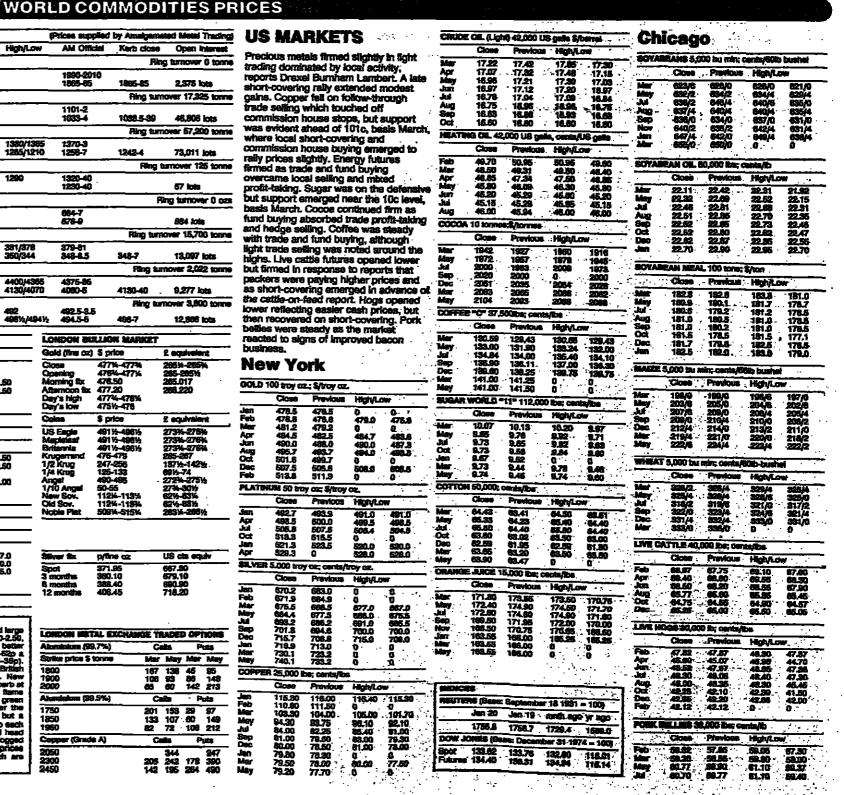
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LONDON MARKETS

COPPER PRICES recovered after suffering steep falls of up to £90 a tonne in pre-market trading as speculators showed increasing nervousness about the ability of the market to maintain its long-term bull trend. Late overnight falls on Comex undermined sentiment, and he pace of the fall in both LME and Comex stocks has slowed down. But remained broadly unchanged, with good physical demand finding inventories low. The market rallied strongly towards the close, but still finished with £43 a tonne off the three-month contract at £1,265.50 a tonne. Copper's early shake out also unsettled aluminium prices, but the late rally in copper helped to boost

of the three				CALGG	SIGNAGE	THUS YEAR
off the three-month of			Jan	1192	1198	1198 1193
£1,265.50 a tonne. Co	pper's earl	y shake	Mar	1223	1228	1228 1222
-out also unsettled alu			May	1246	1252	1250 1243
the late rally in copper	helped to	boost	Jly	1268	1275	1272 1269
aluminium prices, and			Sép	1287	1294	1291 1287
slightly ahead. Dealers	eaid and	in in	Nov	1310	1314	1311 1307
prices attracted under			Jan	1330	1334	
			Turnove	r. 1774 (3	122) lots of	5 torses
which helped to firm it	ıcıı ver selif	THEFT	ICO Inc	Scator pri	C06 (US D	ants per pound) 9 115.49 (115.15);
			January	20: Com	p. daily 197	9 115,49 (115,15);
			day ave	rage 114.6	81 (114.67).	
SPOT MARKETS						
			SUGAR	\$ per tonn	**	
Crede oil (per barret FOB)		+ or -	Raw			Library
Dubei	\$15,48-5,54	+0.21	NOW	Close	Previous	High/Low
Brent Blend	\$17.05-7.15	+0.40	Mar	225.80	225.40	228.00 224.00
W.T.I.(1 pm est)	\$17,40-7,50	+0.275	May	220.80	218.60	222.20 218.00
Of products (NWE prompt	delivery our t	onna CEF)	Aug	218.60	216.20	220.00 217.00
		+ 07 -	Oct Dec	218.60 218.00	218.00 218.60	220.00 216.60
Secretary Genetics	2157 150		Mar	218.80	213.80	216.00 214.00
Premium Gasoline Gas Oil	\$157-180 \$143-145		May	219.80	213.60	EIEGG EINGG
Heavy Fuel Oil	\$71-73					
Nachtha	\$148-150		White	Close	Previous	High/Low
Petroleum Argue Estimetes	•		Mar	256.50	257.00	261.00 254.00
Other		+01.	May	256.50	257.00	257.50 253.00
			Aug	250.50	260.50	261.50 257.00
Gold (per troy oz)	\$477.50	+0.25	Oct Dec	259.50 260.00	262.50 263.00	261.50 257.00
Silver (per troy oz)4	668c	-6 -5.25	Mar	263.50	284.50	284.50 280.00
Platinum (per troy oz) Palladium (per troy oz)	\$492.75 \$123.76	-1.75	May	264.50	270.00	
				- Davi 4	74 /40000	late of 50 and
Aluminium (free market)	\$2000	-30				lots of 50 tonn
O						
Copper (US Producer)	134%-1350			161 (5257) Rulle (FFr C		Mar 1430, May 14
Leed (US Producer)	134%-135c 40c 360c	+10	Paris- W	inite (FFr p		Mer 1430, Mey 14, j. Mer 1474,
Leed (US Producer) Nickel (free market) Tin (European free market)	40c 360c 23675	+10 -15	Paris- W	inite (FFr p	er tonne): I	
Leed (US Producer) Nickel (free market) Tin (European free market) Tin (Kuala Lumpur market)	40c 360c 23675 17.28r		Parts- W Aug 145	Rhitte (FFr p 5, Oct 145	er tonne): I	
Leed (US Producer) Nickel (free market) Tin (European free market) Tin (Kuels Lumpur market) Tin (New York)	40c 360c 23675 17.28r 320.5o	-15	Parts- W Aug 145	Ritte (FFr) 6, Oct 145 . \$/tonna	per tonne):) 5, Dec 1455	i, Mar 1474.
Leed (US Producer) Nickel (free market) Tin (European free market) Tin (Neda Lumpur market) Tin (New York) Zinc (Euro, Prod. Price)	40c 360c 23675 17.28r 320.5c \$60-900	-15	Parts- W Aug 145	Rite (FFr p 8, Oct 145 S/tonna Close	per tonne): 5, Dec 1455 Previous	High/Low
Lead (US Producer) Nickel (free market) Tin (European free market) Tin (Kustis Lumpur market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (US Prima Western)	40c 360c 23675 17.28r 320.5o \$60.900 44.75c	-15 -0.08	Paris- W Aug 145 GAS OIL	Stones 145.25	Previous	High/Low 146.00 145.00
Lead (US Producer) Nicios (free market) Tin (European free market) Tin (Kustis Lumpur market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (US Prime Western) Cattle (live weight)	40c 360c 23675 17.28r 320.5o \$60.900 44.75c	-15 -0.08	Peris- W Aug 145 GAS OIL Feb Mar	S/tonna Close 145.25 143.25	Previous 144.00 142.50	High/Low 148.00 145.00 144.25 143.25
Lead (US Producer) Nickel (free market) The (European free market) The (New York) Zinc (Euro, Prod. Price) Zinc (US Prime Western) Cestile (live weight)† Sheep (dead weight)†	40c 360c 23875 17-28r 320.50 5660-900 44.75c 105.10p 141,350	-15 -0.08 -1.07° -11.59°	Peris- W Aug 145 GAS Off Feb Mar Apr	Close 145.25 143.26 139.50	Previous 144.00 149.5	High/Low 148.00 145.00 144.25 143.25 141.25 139.50
Lead (US Producer) Niciol (free market) Tin (European free market) Tin (Kusta Lumpur market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (US Prime Western) Cattle (Ave weight)† Pigs (five weight)† Pigs (five weight)†	40c 380c 23675 17.28r 320.50 5860-900 44.75c 105.10p 141,38p 64.23p	-15 -0.08 -1.07 -11.59° -1.41°	Paris- W Aug 14S GAS OIL Feb Mar Apr May	Stonna Close 145.25 143.25 139.50 137.00	Previous 144.00 142.50 142.50 139.75 137.00	High/Low 148.00 145.00 144.25 143.25 141.25 139.50 138.00 137.00
Lead (US Producer) Nicios (free market) Tin (European free market) Tin (Kustis Lumpur market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Cattle (sive weight)† Sheep (dead weight)† London daily sugar (new)	40c 380c 23675 17.28r 320.5c 5860-900 44.75c 105.10p 141.38p 64.23p \$256.00w	-16 -0.08 -1.07° -11.59° -1.41°	Party- W Aug 14S GAS Oil Feb Mar Apr May Jun	Close 145.25 143.25 139.50 137.00 138.75	Previous 144.00 142.50 139.75 138.00	High/Low 148.00 145.00 144.25 143.25 141.25 139.50 139.00 137.00 139.25 138.75
Lead (US Producer) Nickel (free market) Tin (European free market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Cattle (tive weight)† Sheep (dead weight)† Pigs (live weight)† London dally sugar (mw) London dally sugar (white)	40c 380c 23875 17.28r 320.5o 5680-900 44.75c 105.10p 141.35p 64.23p \$256.00w \$257.00w	-1.57° -1.57° -1.59° -1.41° -3.40° -5.00	Party- W Aug 14S GAS Oil Feb Mar Apr May Jun	Close 145.25 143.25 139.50 137.00 138.75	Previous 144.00 142.50 142.50 139.75 137.00	High/Low 148.00 145.00 144.25 143.25 141.25 139.50 139.00 137.00 139.25 138.75
Lead (US Producer) Nickel (free market) Tin (European free market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Cattle (tive weight)† Sheep (doad weight)† Pigs (five weight)† London dally sugar (white) Tate and Lyte export price	40c 380c 23675 17.28r 320.50 5960-900 44.75c 105.10p 141.35p 64.23p 64.23p \$256.00w \$257.00w \$257.00w	-1.97° -1.97° -11.59° -1.41° -3.40 -5.90 -2.00	Paris- W Aug 14S GAS OIL Feb Mar Apr May Jun	Close 145.25 139.50 137.00 138.75 r. 2321 (33	Previous 144.00 142.50 139.75 138.00	High/Low 148.00 145.00 144.25 143.25 141.25 139.50 139.00 137.00 139.25 138.75
Lead (US Producer) Niclosi (The market) Tin (European free market) Tin (Kustia Lumpur market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Cattle (tive weight)† Sheep (dead weight)† London daily sugar (mw) London daily sugar (mw) London daily sugar (mw) London daily sugar (mbits) Tatle and Lyte export price Barley (Engfish feed)	40c 23975 17.28r 320.50 5860-900 44.75c 105.10p 141.38p 64.23p \$256.00w \$257.00w \$257.00w \$211.00y	-1.57° -1.57° -1.59° -1.41° -3.40° -5.00	Party- W Aug 14S GAS Oil Feb Mar Apr May Jun	Close 145.25 139.50 137.00 138.75 r. 2321 (33	Previous 144.00 142.50 139.75 138.00	High/Low 148.00 145.00 144.25 143.25 141.25 139.50 139.00 137.00 139.25 138.75
Lead (US Producer) Niciosi (five market) Tin (European free market) Tin (European free market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Cattle (Euro. Prod. Price) Sheep (dead weight)† Pigs (live weight)† London daily sugar (raw) London daily sugar (white) Tata and Lyle export price Barley (English feed) Matze (US No. 3 yellow)	40c 380c 23875 17.28r 320.50 5860-900 44.75c 105.10p 141.38p 64.23p 64.23p 5256.00w 5257.00w 5257.00w 5257.00w 5257.00w	-1.07° -1.57° -11.59° -1.41° -3.60 -5.00 -2.00	Paris- W Aug 14S GAS OIL Feb Mar Apr May Jun	Close 145.25 139.50 137.00 138.75 r: 2321 (33	Previous 144.00 142.50 138.75 137.00 138.00 370) lots of 1	High/Low 146.00 145.00 144.25 143.25 141.25 189.50 139.00 137.00 139.25 138.75
Lead (US Producer) Nickel (free market) Tin (European free market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (US Prime Western) Cattle (tive weight)† Sheep (dead weight)† Pigs (tive weight)† London daily sugar (raw) London daily sugar (white) Tate and Lyle export price Barley (English feed) Wilste (US Derk Northern)	40c 23875 17.28r 320.50 5960-900 44.75c 105.10p 141.38p 64.23p 5257.00w 5257.00w 5257.00w 5257.00w 5257.00w 5257.00w 5257.00w 5257.00w 5257.00w 5257.00w 5257.00w 5257.5u	-1.07° -1.07° -1.41° -3.40 -5.00 -2.00 -0.50	Paris- W Aug 14S GAS Oil Feb Mar Apr May Jun Turnova GRAINS Wheat	Stonne Close 145.25 139.50 137.00 138.75 r. 2321 (33	Previous 144.50 142.50 138.75 137.00 138.00 Previous	High/Low 148.00 145.00 144.25 143.25 141.25 183.50 139.00 137.00 139.25 138.75 100 tonnee
Lead (US Producer) Niclosi (The market) Tin (European free market) Tin (Kustia Lumpur market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Cattle (tive weight)† Sheep (dead weight)† London daily sugar (mw) London daily sugar (mw) London daily sugar (mw) London daily sugar (mw) London daily sugar (mbits) Tatle and Lyte export price Barley (Engfish feed) Misize (US No. 3 yellow) Wheat (US Dark Northern) Rubber (spot)®	40c 380c 23875 17.28r 320.50 3989-900 44.75c 105.10p 141.38p 64.23p \$257.00w \$257.00w \$257.00w \$257.00w \$257.50w \$257.50w \$257.50w \$257.50w \$257.50w \$257.50w \$257.50w	-1.57" -1.57" -11.59" -1.41" -3.40 -5.00 -2.00 -0.50 -0.50	Peris-W Aug 14S GAS GIL Feb Mar Apr Men Turnova GRARIS Winnet	nite (FFF; 5, Oct 145 5, Oct 145 . \$/ionna Close 145.25 139.50 137.05 138.75 r: 2321 (33 2/tonna Close 110.10	Previous 144.00 142.50 138.00 138.00 Previous 110.50	HighyLow 148.00 145.00 148.00 145.00 144.25 143.25 141.25 139.50 139.00 137.00 139.05 138.75 100 termes HighyLow 110.10 109.75
Lead (US Producer) Niciosi (The market) Tin (European free market) Tin (European free market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Cattle (Euro. Prod. Price) Zinc (US Prima Western) Cattle (Eve weight)† Sheep (dead weight)† Piga (ive weight)† London dally sugar (rew) London dally sugar (white) Tata and Lyle export price Bartey (English feed) Wheat (US No. 3 yellow) Wheat (US Dark Northern) Rubber (spot) Plubber (pot) Plubber (pot) P	40c 380c 23875 17.28r 320.50 3989-900 44.75c 105.10p 141.38p 64.23p \$257.00w \$257.00w \$257.00w \$257.00w \$257.50w \$257.50w \$257.50w \$257.50w \$257.50w \$257.50w \$257.50w	-1.57° -1.59° -1.41° -3.40 -5.00 -0.50 -0.50 -0.50	Peris-W Aug 14S GAS OR Feb Mar Apr May Jun Turnove GRAINS Winest Jen Mar	Shorts (FFF; 5, Oct 145, 5, Oct 145, 25, 139, 25, 139, 26, 139, 26, 139, 27, 27, 27, 27, 27, 27, 27, 27, 27, 27	Previous 110.50 Previous 144.00 1495.75 139.75 137.00 138.00 170) lots of 1 Previous 110.50 1111.70	High/Low 148.00 145.00 144.25 143.25 141.25 183.50 139.00 137.00 139.25 138.75 100 tonnee
Lead (US Producer) Nicial (The market) Tin (European free market) Tin (European free market) Tin (Nasia Lumpur market) Tin (Nasia Lumpur market) Tin (Nasia Prod. Price) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Cattle (Ne weight)† Sheep (dead weight)† Plog (five weight)† London daily sugar (naw) London daily suga	40c 380c 23875 17.28r 320.50 5969-900 44.75c 105.10p 141.38p 64.23p \$256.00w \$257.00w \$257.00w \$257.00w \$257.50w \$257.50w \$257.50w \$257.50w \$257.50w \$257.50w \$257.50w \$257.50w \$257.50w	-1.57" -1.57" -11.59" -1.41" -3.40 -5.00 -2.00 -0.50 -0.50	Paris-W Aug 14S GAS GR Feb Mar Apr May Jun Turnove GRAINS Wineat Mar Mar Mar May Jun	Shorina (FFF) (FFFF) (FFFF) (FFFF) (FFFF) (FFFF) (FFFF) (FFFF) (FFFF) (FFFF) (FFFFF) (FFFFF) (FFFFF) (FFFFF) (FFFFFF) (FFFFFFFF	Previous 144.50 149.50 149.75 139.75 137.00 138.00 170) lots of 1 111.70 114.10 118.30	High/Low 146.00 145.00 144.25 143.25 141.25 189.50 139.00 137.00 139.25 138.75 100 tonnee High/Low 110.10 109.75 112.00 111.00 114.50 113.50
Lead (US Producer) Niciosi (The marise) Tin (European free market) Tin (European free market) Tin (Kusta Lumpur market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (Euro. Prod. Price) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Cattle (Sive weight)† Sheep (dead weight)† Sheep (dead weight)† London dally sugar (mw) London dally sugar (mw) London dally sugar (mw) London dally sugar (miss) Tata and Lyle export price Barley (Engfish feed) Misiza (US No. 3 yellow) Wheat (US Dark Northern) Rubber (feb) ® Rubber (feb) ® Rubber (Karl W Rubber (KL RSS No 1 Feb)	40c 23875 17.287 320.50 23875 17.287 320.50 2987-900 44.75c 105.10p 141.38p 64.23p \$256.00w \$257.00w \$257.00w \$257.00w \$257.50 68.76p 68.76p 68.50p 278.60m	-15 -0.08 -1.07 -11.59 -1.41 -3.60 -2.00 -0.50 -0.50 -0.50 -0.50	Paris- W Aug 145 GAS OR Feb Mar May Jun Turnove GRARIS Winest Jan May Jun May Jun May Jun May Jun May Sep	Shonne (FF) ; 5, Oct 145 Shonne Close 145.25 143.25 143.25 139.50 137.75 138.75 138.75 138.75 110.00 114.50 114.50 114.50 110.25	Previous 144.00 142.50 139.75 137.00 138.00 Previous 110.50 111.70 114.10 118.30	High/Low 148.00 145.00 144.25 143.25 141.25 189.50 139.00 157.00 138.25 138.75 100 termes High/Low 110.10 109.75 112.00 111.50 114.50 113.50 114.50 115.80
Lead (US Producer) Niciosi (The market) Tin (European free market) Tin (European free market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Cattle (Euro. Prod. Price) Zinc (US Prima Western) Cattle (tive weight)† Sheep (dead weight)† Pigs (five weight)† London daily sugar (rww) London daily sugar (white) Tata and Lyle export price Bertey (English feed) Wheat (US No. 3 yellow) Rubber (Pab) ♥ Rubber (Ran) ♥ Rubber (Cat Res No 1 Feb) Cooonax oil (Philipoines)	40c 23875 17.28r 320.50 5980-900 44.75c 105.10p 141.38p 64.23p 64.23p 5257.00w 5257.00w 5257.00w 5257.50w 68.75p 68.75p 68.75p 68.75p 68.75p	-1.07 -1.07 -1.57 -1.41 -5.00 -5.00 -0.50 -0.50 -0.50 -0.50 -0.50 -0.50	Paris- WAUG 14S GAE OIL Feb Mar Apr Mey Jun Turnove GRAINS Winest Jan Mey Sep Nov	Storms Close 145.25 143.25 139.50 137.75 22tonns Close 145.25 139.50 137.75 22tonns 110.10 112.00 114.00 114.00 114.00 102.25	Previous 144.50 149.50 149.50 139.75 137.00 138.00 370) lots of 1 Previous 1117.00 1114.10 118.30 1104.30	HighyLow 146.00 145.00 144.25 143.25 141.25 139.50 139.00 137.00 139.05 138.75 100 termos HighyLow 110.10 109.75 112.00 111.00 114.50 113.50 116.50 115.50 104.25 104.15
Lead (US Producer) Nicial (The market) Tin (European free market) Tin (European free market) Tin (Kusta Lumpur market) Tin (Kusta Lumpur market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Cattle (New weight)† Sheep (dead weight)† Plog (five weight)† London daily sugar (raw)	40c 23875 17.287 320.50 23875 17.287 320.50 2987-900 44.75c 105.10p 141.38p 64.23p \$256.00w \$257.00w \$257.00w \$257.00w \$257.50 68.76p 68.76p 68.50p 278.60m	-15 -0.08 -1.07 -11.59 -1.41 -3.60 -2.00 -0.50 -0.50 -0.50 -0.50	Paris- W Aug 14S GAB OIL Feb Mar Apr Mar Apr Mar Mar Mar Mar Mar Mar Mar Mar Mar Ma	Storms Close 146.25 143.25 139.50 137.75 1221 (32 2/torms Close 110.10 114.50 114.60 114.60 102.45 106.90	Previous 144.00 149.00 149.00 149.75 139.75 137.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 149.00 149.00 149.00 149.00	High/Low 146.00 145.00 144.25 143.25 141.25 189.50 139.00 137.00 139.25 138.75 100 tomps High/Low 110.10 109.75 112.00 111.00 114.50 113.50 102.25 104.25 104.15
Lead (US Producer) Niciosi (free market) Tin (European free market) Tin (European free market) Tin (New York) Zinc (US Prima Western) Cattle (Euro. Prod. Price) Zinc (US Prima Western) Cattle (tive weight)† Pigs (tive weight)† Pigs (tive weight)† London daily sugar (raw) London daily sugar (white) Tata and Lyte export price Barley (English feed) Witest (US Dark Northern) Rubber (18 No. 3 yellow) Witest (US Dark Northern) Rubber (Nar) ♥ Rubber (XL RSS No 1 Feb) Path OR (Malaystan)§ Coornat oil (Philippines)§ Path OR (Malaystan)§ Copra (Philippines)§ Soyabsars (US)	40c 350c 23875 17.28r 320.50 5960-900 44.75c 105.10p 141.38p 64.23p 64.23p 64.23p 64.23p 65.10p 2511.00y 2511.00y 2515.50 255	-15 -0.08 -1.07 -11.59 -1.41 -2.00 -2.00 -0.50 -	Paris- WAUG 14S GAE OIL Feb Mar Apr Mey Jun Turnove GRAINS Winest Jan Mey Sep Nov	Storms Close 145.25 143.25 139.50 137.75 22tonns Close 145.25 139.50 137.75 22tonns 110.10 112.00 114.00 114.00 114.00 102.25	Previous 144.50 149.50 149.50 139.75 137.00 138.00 370) lots of 1 Previous 1117.00 1114.10 118.30 1104.30	HighyLow 146.00 145.00 144.25 143.25 141.25 139.50 139.00 137.00 139.05 138.75 100 termos HighyLow 110.10 109.75 112.00 111.00 114.50 113.50 116.50 115.50 104.25 104.15
Lead (US Producer) Niciosi (The marise) Tin (European free market) Tin (European free market) Tin (Kustia Lumpur market) Tin (Kustia Lumpur market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Cattle (Sive weight)† Sheep (dead weight)† London dally sugar (mw) London dally su	40c 23875 17.287 320.50 23875 17.287 320.50 5980-900 44.75c 105.10p 141.38p 64.23p \$256.00w \$257.00w 2251.00y 2136.50 295.75u 68.75p 68.75p 68.50p 278.50p 278.50p 258.600 \$280.00 \$28	-1.07 -1.07 -1.57 -1.55 -1.41 -3.40 -5.00 -2.00 -0.50 -0.50 -0.50 -2.00 -0.50	Paris- W Aug 14S GAS CR. Feb Mar Apr Apr Apr Apr Apr Mar Apr Apr Mar Apr Mar Mar Mar Mar Mar Mar Mar Mar Mar Ma	Storms Close 146.25 143.25 139.50 137.75 1221 (32 2/torms Close 110.10 114.50 114.60 114.60 102.45 106.90	Previous 144.00 149.00 149.00 149.75 139.75 137.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 138.00 149.00 149.00 149.00 149.00	High/Low 146.00 145.00 144.25 143.25 141.25 189.50 139.00 137.00 139.25 138.75 100 tomps High/Low 110.10 109.75 112.00 111.00 114.50 113.50 102.25 104.25 104.15
Lead (US Producer) Niciosi (free market) Tin (European free market) Tin (European free market) Tin (New York) Zinc (US Prima Western) Cattle (Euro. Prod. Price) Zinc (US Prima Western) Cattle (tive weight)† Pigs (tive weight)† Pigs (tive weight)† London daily sugar (raw) London daily sugar (white) Tata and Lyte export price Barley (English feed) Witest (US Dark Northern) Rubber (18 No. 3 yellow) Witest (US Dark Northern) Rubber (Nar) ♥ Rubber (XL RSS No 1 Feb) Path OR (Malaystan)§ Coornat oil (Philippines)§ Path OR (Malaystan)§ Copra (Philippines)§ Soyabsars (US)	40c 350c 23875 17.28r 320.50 5960-900 44.75c 105.10p 141.38p 64.23p 64.23p 64.23p 64.23p 65.10p 2511.00y 2511.00y 2515.50 255	-15 -0.08 -1.07 -11.59 -1.41 -2.00 -2.00 -0.50 -	Paris- W Aug 14S GAB GB Har May Jun Turnove GRAINS Wingst Jan May Jan Jan May Jan May Jan May Jan May Jan Jan Jan Jan Jan Jan Jan Jan Jan Jan	Storms Close 145.25 143.25 139.50 137.75 22torns Close 145.25 139.50 137.75 22torns Close 110.10 112.00 114.80 102.25 108.90 Close 105.70	Previous Previous 144.00 149.00 149.76 139.76 139.76 137.00 138.00 Previous Previous 111.70 114.10 118.30 102.30 107.00 Previous	High/Low 146.00 145.00 144.25 143.25 141.25 189.50 139.00 137.00 139.25 138.75 100 tomps High/Low 110.10 109.75 112.00 111.00 114.50 113.50 102.25 104.25 104.15 106.90 105.70 105.25 107.50 107.00
Lead (US Producer) Niciosi (The marise) Tin (European free market) Tin (European free market) Tin (Kustia Lumpur market) Tin (Kustia Lumpur market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Cattle (Sive weight)† Sheep (dead weight)† London dally sugar (mw) London dally su	40c 23875 17.287 320.50 23875 17.287 320.50 5980-900 44.75c 105.10p 141.38p 54.23p \$256.00w \$257.00w 2257.00w 2257.50 86.75p 86.75p 86.50p 278.50p 278.50p 278.50p 278.50p 5486.00 \$486.00 \$486.00 \$486.00 \$154.50 71.10c 517p	-1.07 -1.07 -1.57 -1.57 -1.41 -3.40 -5.00 -2.00 -0.50 -0.50 -0.50 -0.50 -0.50 -0.90 +14	Party- WAUG 14S GAS OIL Feb Mar Apr Mey	Shorms (FF); 5, Oct 145 Shorms Close 146.25 143.25 143.25 133.60 138.75 12321 (33 2/torms Close 110.10 114.50 114.50 114.50 114.60 102.25 104.15 105.70 107.50	Previous 110.50 111.70 111.70 114.30 102.30 107.00 Previous 110.50 111.70 114.10 116.30 107.00 Previous 107.00 Previous	HighyLow 148.00 145.00 144.25 143.25 141.25 183.50 139.00 137.00 139.25 138.75 100 tonnee HighyLow 110.10 109.75 112.00 111.00 114.50 113.50 104.25 104.15 106.20 HighyLow 105.70 105.25 107.50 107.00 108.49
Lead (US Producer) Niciosi (The marise) Tin (European free market) Tin (European free market) Tin (Kusta Lumpur market) Zinc (US Prima Western) Castle (Sive weight)† Sheep (dead weight)† Sheep (dead weight)† London dally sugar (mw) London	40c 23875 17.28r 320.50 23875 17.28r 320.50 2989-900 44.75c 105.10p 141.38p 64.23p \$256.00w \$257.00w 2251.00g 235.75u 68.75p 68.75p 68.50p 278.50p 5585.00w \$2592.00 2164.50 71.10c 517p state, p-pershall p-pers	-16 -0.08 -1.97 -1.55 -1.41 -3.40 -5.00 -2.00 -0.50 -0.50 -0.50 -0.50 -0.50 -0.90 +14 -0.90 +14 -0.90 -1.90	Parts- W Aug 14S GAB GR Feb Mar Apr Mery Jun Turnove GRARNS Winnet Jan Mary Jan Mery Jan Mery Jan Mery Jan Mery Jan Mery Jan Mery Jun Mery Jun Mery Jun Mery Jun Mery Jun Mery Jun Mery Jun Mery Jun Mery Jun Mery Jun Mery Jun Mery Jun Mery Jun Jun Mery Jun Jun Jun Jun Jun Jun Jun Jun Jun Jun	Strong (FF); 5, Oct 145 Strong (FF); 6, Oct 145 Strong (145,25 143,25 138,59 138,75 2/tonns Close 110,10 112,00 114,50 102,15 106,90 Close 107,50 106,90 97,15	Previous 144.50 142.50 142.50 139.75 137.00 138.90 370) lots of 1 111.70 116.30 116.30 107.40 105.60 107.40 106.60 97.25	HighyLow 148.00 145.00 144.25 143.25 141.25 183.50 139.00 137.00 139.25 138.75 100 termos HighyLow 110.10 109.75 112.00 111.00 114.50 115.80 102.25 104.26 104.15 106.90 HighyLow 105.70 106.25 107.50 107.00 108.49 97.16
Lead (US Producer) Niciosi (The marise) Tin (European free market) Tin (European free market) Tin (European free market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Castle (tive weight)† Sheep (dead weight)† Pigs (five weight)† London daily sugar (white) Tata and Lyte export price Barley (English feed) Melze (US No. 3 yellow) Wheat (US No. 1 Feb) Rubber (Feb) ♥ Rubber (Feb) ♥ Rubber (CL RSS No 1 Feb) Cocorat oil (Philippines)§ Palm Oil (Malaysian)§ Coston "A" feed (US) Coston "A" Feb; Soyabeana (US) Coston "A" Feb; Latar, "Frieo, "Aprillat," La	40c 23875 17.28r 320.50 5980-900 44.75c 105.10p 141.38p 64.23p 64.23p 5257.00w 5257.00w 5257.00w 5257.00w 5257.50 535.75u 63.00p 63.75p 63.60p 536.00p 536.00 536.0	-16 -0.08 -1.07 -11.50 -1.41 -5.00 -2.00 -0.50 -0.50 -0.50 -0.50 -0.50 -0.50 -0.90 +14 -0.90 +14 -0.90 +14	Paris- W Aug 14S GAB Oil. Feb Mar Apr May Jun Turnove GRAINS Winest Jen May Joy Jen Jen May Jen May Jen May Jen May Jen May Jen Mar May Jen Mar May Jen Mar May Jen Mar May Jen Mar May Jen Mar May Jen Jen Jen Jen Jen Jen Jen May Jen Jen Jen Jen Jen Jen Jen Jen Jen Jen	Shorms (FF); 5, Oct 145 Shorms Close 146.25 143.25 143.25 139.50 138.75 - 2321 (33 2/tonns Close 110.10 112.00 114.50 112.00 114.50 116.80 106.70 107.70 107.70 97.15	Previous 144.00 142.50 149.75 139.75 139.75 137.00 138.00 370) lots of 1 111.70 114.10 118.30 102.30 107.00 Previous 105.40 106.60 97.25	High/Low 148.00 145.00 144.25 143.25 141.25 189.50 138.00 137.00 139.25 138.75 100 tonnee High/Low 110.10 109.75 112.00 111.00 114.50 113.50 102.25 104.15 108.90 107.50 107.00 108.40 97.16 99.80
Lead (US Producer) Nicial (The market) Tin (European free market) Tin (European free market) Tin (Kusta Lumpur market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Cattle (tive weight)† Sheep (dead weight)† Hondon daily sugar (raw) London daily sugar (40c 23875 17.287 320.50 2987-90 44.75c 105.10p 141.38p 64.23p \$256.00w \$257.00w \$257.00w \$257.00w \$257.50w \$258.50p 278.50p 27	-16 -0.08 -1.97 -11.59 -1.41 -3.40 -5.00 -0.50 -0.50 -0.50 -0.50 -0.50 -0.50 -0.90 +14 -0.90 +16 -0.90 -0.90 +16 -0.90 -0.00 -0.00 -0.00 -0.00 -0.00 -0.00 -0.00 -0.00 -0.00 -	Party- WAUG 14S GAS OIL Feb Mar Apr May Jun Turnove GRAINS Winet Jen May Sop Jan May Sop Nov Jan May Sop Jan	Shorms (FF); 5, Oct 145 Shorms Close 146.25 143.25 143.25 133.50 138.75 - 2321 (33 2/tonns Close 110.10 112.00 114.50 112.00 114.50 116.80 106.70 107.50 97.15 99.80 101.90	Previous 144.50 142.50 142.50 142.50 139.75 137.00 138.00 370) lots of 1 110.50 111.70 114.10 118.30 107.30 107.40 107.40 107.40 107.40 107.40 107.40 107.40 107.40 107.40 107.40	High/Low 148.00 145.00 144.25 143.25 141.25 189.50 138.00 137.00 139.25 138.75 100 tonnee High/Low 110.10 109.75 112.00 111.00 114.50 113.50 102.25 104.15 108.90 107.00 108.25 108.90 108.40 97.16 99.80 101.90
Lead (US Producer) Niciosi (The marise) Tin (European free market) Tin (European free market) Tin (European free market) Tin (New York) Zinc (Euro. Prod. Price) Zinc (US Prima Western) Castle (tive weight)† Sheep (dead weight)† Pigs (five weight)† London daily sugar (white) Tata and Lyte export price Barley (English feed) Melze (US No. 3 yellow) Wheat (US No. 1 Feb) Rubber (Feb) ♥ Rubber (Feb) ♥ Rubber (CL RSS No 1 Feb) Cocorat oil (Philippines)§ Palm Oil (Malaysian)§ Coston "A" feed (US) Coston "A" Feb; Soyabeana (US) Coston "A" Feb; Latar, "Frieo, "Aprillat," La	40c 23875 17.28r 320.50 29875 17.28r 320.50 5980-900 44.75c 105.10p 141.38p 64.23p 8257.00w \$257.00w \$257.00w \$257.50 295.75u 68.75p 86.50p 86.50p 278.50m \$486.00 \$258.00w \$486.00 \$154.50 71.10c 517p stated, open	-16 -0.08 -1.07 -1.07 -1.07 -1.07 -1.57 -1.41 -1	Paris- W Aug 14S GAS GI. Feb Mar Apr Mey Jun Turnove GRAINS Winnet Jen Mey Jen	Shorms (FF); 5, Oct 145 Shorms Close 146.25 143.25 143.25 133.50 138.75 - 2321 (33 2/tonns Close 110.10 112.00 114.50 112.00 114.50 116.80 106.70 107.50 97.15 99.80 101.90	Previous 144.50 142.50 142.50 138.75 137.00 138.90 370) lots of 1 10.50 111.70 114.10 116.30 107.40 108.60 97.25 100.00 102.15 17 (368) , B.	High/Low 148.00 145.00 144.25 143.25 141.25 189.50 138.00 137.00 139.25 138.75 100 tonnee High/Low 110.10 109.75 112.00 111.00 114.50 113.50 102.25 104.15 108.90 107.50 107.00 108.40 97.16 99.80

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_	<u> </u>	Close		Previous S per tonne)	High/Lo	<u> </u>	AM Offic	del Kerb (Ора	n ini	
	Cash		-2010	1980-80			1990-201	10	weig	W-110		, max
	3 months	1865	-85	1860-60			1865-85	1886-8		_	5 lot	
				per tonne)				Hin	g tumo	WET 1	<u> </u>	101
_	Cash 3 months	1103 1137		1091-8 1036-7			1101-2 1833-4	1088.5	-39	46,8	106 ld	XS
y	Copper,	Grade A	(£ per to	nne) _				Aln	g turno	wer 5	7,200	100
ý	Cash 3 months	1377- 1265-		1425-30 1308-9	1380/13 1285/12		1370-3 1258-7	1242-4	}	73,0	11 lo	ės.
	Copper,	Standard	(2 per to	onne)					Ving tu	nove	125	ton
	Cash 3 months	1330-		1395-400 1290-5	1290	_	1320-40			57 h		
	Silver (U								i i i			0 ~
	Cash	884-7		567-7 0			684-7			,		
	3 months			578-81			676-D			884	lobs	
	Lead (2 p	er tonne)					Rin	turno	ver 18	,700	ton
	Cash 3 months	392-6 347-8		369-9.5 347-8	381/378 350/344		379-81 348-8.5	548-7		13,0	97 lo	
•	Mickel (2	per tonn	16}					F3	ng turn	over 2	022	tonr
	Cash	4420		4410-30	4400/43	65	4375-86		<u> </u>		 -	
•	3 топфа	4120	-5	4110-20	4130/40		4080-5	4130-4	0.	9,27	7 kat	<u> </u>
	Zinc (E p	er tonne	!	493-5	492		400 F 0 F		A prili	over 3	1,000	ton
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	SOYABEA	UL HEAL	. £/tonne			USI	Eagle	491%-496%		73%-2		
		Close	Previou	s High/Low		Map	igieaf strie	4911/2-4961/2		73%-2 73%-4		
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	Oct	123.00	125.00	124,00 128	.00	Ang	at T	490-495	- 2	72%-2	75%	
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				00 tonnes.		Old	Sav.	1124-1184	6	24.89	176 -	
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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar lacks motivation

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THERE IS one thing worse than a currency market fed by speculation, that is a market drifting in the absence of speculation. The lack of US economic data before 4th quarter GNP figures on January 27 revived schicken.

Central banks were no doubt delighted by the lack of discass and thoughts of the headless chicken.

Central banks were no doubt delighted by the lack of discass and figures, the dollar's exchange and analysts were queuing up to offer some sort of explanation why the UB unit made good after a poorer start. The latter was a hangover from selling in the Far East, after comments by Mr Clayton Yeutber, US Trade Representative, in which he claimed that a major drop in the felling of the latter half of this year.

The cattent of the dollar's fall was swiftly countered by Bank of Japan support, but traders in London were less than sangime to start with However, the dollar was soon in demand. The only thing beyond dispone was that the US unit was bought. Beyond that the Bank of Japan was taking advantage of a relaxation in controls, which allowed purchases of longer and support was support from the Bank of Japan was taking advantage of a relaxation in controls, which allowed purchases of longer and the business of longer and the dollar in 1887/88 in 1894.80 in Tokyo on Wednesday and the four major the bank of Japan was taking advantage of a span was taking advantage o Beyond that dealers started to struggle. There were suggestions that the Bank of Japan was taking advantage of a relaxation in controls, which allowed purchases of longer dated US Treasury stock. This work and at the same time give the dollar a friendly boost. Japanese officials dismissed the whole thing as speculation, but bank knew the validity, the dollar ended the day on a firmer pote.

September 10.0525. from Y127 128.80 is from Y128.80 is day.

£ IN NEW YORK.

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CURRENCY MOVEMENTS

OTHER CURRENCIES

MONEY MARKETS

VESTERDAY'S ANNOUNCEMENT of UK bank lending and money supply figures for December had little impact on the London money market. Three-month interbank was unchanged at 81% 83% p.c.
Bank lending rose £4.9bn, compared with £3.3bn in November, and against market estimates, which ranged widely from £2.75bn to £4.5bn.
The narrowly defined M0

from \$2.75bn to \$4.5bn.

The narrowly defined M0money supply rose 0.9 p.c. in
December, after 0.3 p.c. in
November, but the year on year
increase fell to 4.2 p.c., from
4.9 p.c., encouraging hopes that

UK clearing bank base lending rate 8% per cent from December 4

the figure will remain under the Bank of England's target ceiling of 6 p.c. this financial year.

Sterling M3 money supply climbed 1.4 p.c. in December, after staying flay in November, but the general view in the market was that this week's economic news has tended to reduce any pressure for an immediate rise in UK bank base lending rates.

42,4582 7,85213 2,65853 6,50408 2,51943 0,769611 1483,58 DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

157 0.74-0.69m 0.75 0.39-0.28m 1.64 0.44-0.07m 0.92 9-6m 1.97 3.00-3.59k 1.97 3.00-3.59k 3.79 158-1.53m 4.92 159-180-k 4.92 159-180-k 4.92 159-180-k 4.92 159-180-k 1.12 1.65-185-k 1.12 1.65-185-k 1.12 1.65-185-k 1.12 1.65-185-k 1.12 1.65-185-k 1.13 0.99-0.94m 2.61 2.00-7.00m 5.64 1.72-1.67m

% charge adjusted for divergence

POUND SPOT- FORWARD AGAINST THE POUND 0.25-0.22spm 3.57 034-0.69

1.39

EURO-CURRENCY INTEREST RATES おいます 一大大田 いいかい

EXCHANGE CROSS RATES

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FT LONDON INTERBANK FIXING

(11.00 a.m. Jan 21) 3 months US dollars MONEY RATES

NEW YORK 175 100 101 101 295-305 74-74 140-25 12-154 65-6-

bills in band 1 at 8% p.c.; £22m
Treasury bills in band 1 at 8% p.c.; and £106m in band 4 at 8

LONDON MONEY RATES One Year

Inding rates.

The Bank of England initially forecast a money market short- age of \$450m, but revised this age of \$450m, but revised this to \$550m at noon. Total help of \$2450m at noon.

FINANCIAL FUTURES

Relaxed view of money figures

Reaction on Liffe was not particularly encouraging to the UK bank lending figures for December, but analysts in the City tended to take a more relaxed view of the figures, and did not see too much to worry about, apart from some doubts about Monday's official figures for retail sales in December.

Mr Nick Parsons, at Union Discount, said it is hard to reconcile lending in the month with the seasonal adjustment, giving a lower retail sales figure. He points out that personal consumption increased £662m, including credit card debt of £384m, and that this suggests an error in the seasonal adjustment on retail sales, which

overheating in the economy, but there appeared to be grounds to accept other expla-nations for the figures.

There were various distor-tions, including take over activ-

Calls cettlements Inc Feb Mar Apr 23.60 - 23.60 - 23.60 - 14.60 - 18.65 - 14.60 - 18.65 - 14.60 - 12.6

Nor 176.10 176.60 172.80 173.65 im 179.60 176.60 172.80 173.65 Estimated Volume 1932 (1135) Previous day's open 7858 (7694)

CURRENCY FUTURES 1-mik 3-mik 6-mik 12-mik 17942 17894 17813 17695

LIFFE-STERLING (25,000 \$ par £ Close High Low Pres. 1.7990 1.7955 1.7955 1.7955 1.7022 1.7795 1.7795 1.7792 1.7792 1.7792 1.004 volume 50(7) 6 day's open lat. 298 (297)

tions, including take over activity, payment of corporation tax, and favourable interest rate levels in London, leading to a switch from foreign currency borrowing into sterling.

At the same time Mr Owen noted that M0 is now likely to remain within target range this financial year and there is less pressure for higher base rates.

March long-term gilt futures opened higher at 119-04, but fell to 118-27 at the close, compared with 118-17 on Wednesday.

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FT 30 FTSE 100 WALL STREET
Jan. 1403/1415 +22 Jan. 1748/1760 +29 Feb. 1847/1863 -25
Mar. 1408/1420 +26 Mar. 1754/1766 +29 Mar. 1850/1866 -26 Prices taken at 5pm and change is from previous close at 9pm



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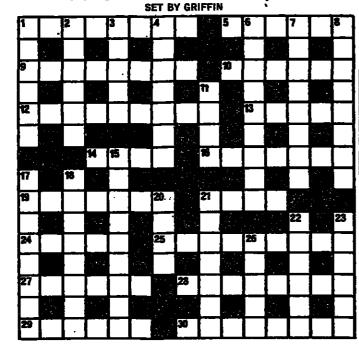
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- ACROSS

 1 Lay opposite (8)
 5 Threaten to name scraffy engineer (6)
 9 Look, sweetheart, a new lead for the dog! (8)
 10 Go without food until late? (6)
 12 One fumes about following motor coaches (9)
 13 Damp test is included (5)
 14 About to return to work, therefore (4)
 16 Paid to fix front door (7)
 19 Hit plano pedals when moving round (7)

- 19 Hit plano pedals when moving round (7)
 21 Open University don's revision (4)
 24 Shock with a pointless request for help (5)
 25 Wealthy egghead in all-male parliament (9)
 27 Weaken, finding naughty child with wind (6)
 28 Got Mr Cook a lifetime loan (8)
- (8) 29 Was still way inside the pipe
- (6)
 30 Find doctor dead in it (blown up) (8)
- DOWN

 1 Risk note he can decipher (6)

 2 Mistakes Rose could make about car (6)

 3 Primate in cylindrical hiding-place (5)
- place (5)

 Completely change 14 across, quickly! (7)

 Approximate times and date
- to be amended (9)
 7 Publicise what cricketers do to landing strip (8)
 8 When uniform gets tight, dieti 8 When uniform gets tight, dieti
 (8)
 11 Topless girl I found in the
 Thames (4)
 15 Disgusting material by vile US
 organisation (9)
 17 May train finit producers (8)
 18 Instrument for inserting tube
 in trousers (8)
 20 Urgent - return free key (4)
 21 Beast tosses coin into vase (7)
 22 Difficult pose requires skill in
 standing (6)
 22 Said "Yea, the old soldiers are
 inside" (6)
 25 He left books in temporary
 accommodation (5)
 Solution to Passie No.6,535

- Solution to Puzzle No.6,535
- Solution to Pazzle No.6,535

 REPUTE COMPOUND
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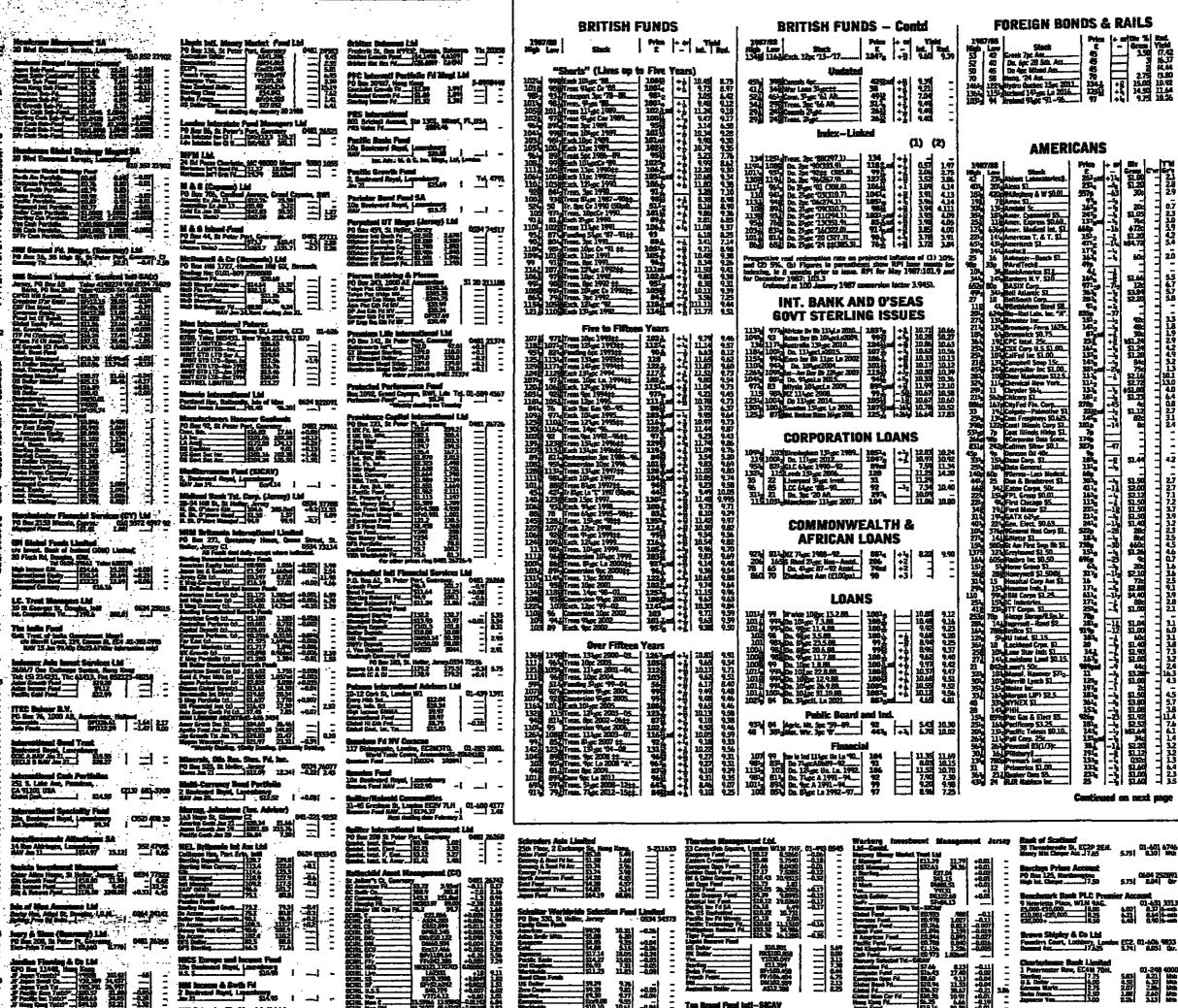
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LONDON SHARE SERVICE

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The time design may the piece from \$.00 of unrealised capital gains on non-life funds, a point which the analysts believe the board avoided last November, when third quarter results yesterday in the face of several announced.
potentially discomforting developments. Government bonds, gilt-edged market despite the brushing off a lower US dollar, softness of the pound and the brushing off a lower US dollar, softness of the pound and the moved ahead despite UK money uncertainty over the bank lending figures. The market opened ures for December which at first seemed worse than expected. Equities, which also had to contend with unsettling news from the Traded Options market as a pufficient for the \$150m and the transport of the \$150m and the tr ket as well as a buffeting for 91/2 per cent Conversion '05 was

ket as well as a buffeting for BAT industries, recovered most of a mid-session loss of nearly 20 FT-SE points.

The stock market was marked down heavily before the formal opening, as traders backed away from Wall Street's 57 point fall overnight. But, "we encountered nothing but buyers", commented one trader. The sector closed in good shape, enlivened by strong track when New York bonds shape, enlivened by strong expectations of a bid for Bur-man Oil. Prices soon rallied from the early weakness but were checked as the City awaited the December money

supply data.
Both Gilts and equities turned sharply down on the announcement that, while M3 money supply was only slightly above expectations, bank lending had soared to £4.9bn in December, the very top end of market esti-

There was an equally rapid recovery when market analysts claimed that the bank lending figure had been distorted by "round tripping" - when inves-tors switch between competing loan institutions. The markets continued to hold to this thesis despite its rejection by the Bank of England.

The upset in equities was prominence in the sector as fuelled by the admission by a rumours that US oil group major marketmaker of a sub-Pennzoil is about to launch a stantial loss in the Traded Options market, which raised worries that the eventual loss

However, there was a significant recovery in equities before the end of the session, with cated deal with Dutch group increasing trading volume indicating renewed optimism. The the end of the session, with cated deal with Dutch group increasing trading volume indicating renewed optimism. The would involve Calor spinning FT-SE 100 Index closed 5.6 off its oil interests into a new down at 1747.2, effectively re-instating the FT-SE 1750 sup-port level.

The easier trend in the dollar hurt the international stocks and was particularly unfortu-nate for BAT Industries which ran into criticisms at a meeting of City analysts called after Farmers Group of the US had spurned Bat's \$4bn bid.

Bats faced a second meeting with the City gurus last night, the region of 1m shares.
where more questions will be asked about the group's unconventional accounting practice, with 4.2m shares traded – after

Gilt-edged advance despite rise in bank lending as

equities rally from weak start

	Jane.	J=	معد	Jan.	300	Year	198	7/88	Since Compilation		
	21	20	19	18	15	Ago	High	Low	High	Line	
ioverament Secs	88.59	88.35	68.19	88.45	87.96	85.74	99.32 (8/5/87)	83.73 (19/10/87)	127.A (9/1/35)	49.18	
tred laterest	94.73	94.51	94.64	94.42	94.55	91.78	99.12	90.23	105.4	50.53	
rdicary 7	1404.0	1409.2	1423.0	1640.1	1436.7	1404.1	0.5%87) (20.87) 1986.2 1292.0 (0.67/87) (9/11/87)		1926.2 0.6/7/87)	(3/1/75) 49,4 (26/6/40)	
iold Mines	279.9	281.3	294.1	283.4	294.5	323.8	497.5 (4/8/87)	261.6 (6/11/87)	734,7	43.5	
ord. Div.Yleid	4.45	4.43	439	4.33	4.35	4.07		S.E ACTIV			
arrings Yid. %(fell)	11.16	1111	10.99	10.85	10.83	9.54	1:	xices .	Jan. 20	Jan.19	
/E Ratio (net)(*)	10.98	21.03	23.35	11.30	13.32	12.84	GRL Edged 6		106.6	1245	
EAQ Bargains (Spin)	25,150	23,393	23,749	29,870	27,832	36,066		akıs !		171.7 2172.0	
quity Turnover (Cm)	-	863.65	1074.60	991.43	1092.37	3109.27	5-Day asyra	0¢			
pulty Bargales		25,455 421.3	25,504 352.1	31,655 4363	25,753 431.8	43,569 566.3			170.4	130.5 166.7 2024.2	
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1399.1	3.3	1402.3 1398.4		398.4	1402	4	1406.0	1406.	2 14	02.5	

marketmakers.

The short dates were also firmer, with the Treasury 84 per cent '90 up by ½ at 91% as fears of an imminent rise in base rates receded.

Once again, Index-linked issues were dragged higher by the conventionals market. At mid-session, gains ranged to a full point but prices topped off before the close when a gain of \$\frac{1}{2}\$ showed against the IL 2½ per cent '13 stock. Burmah became response to the independent valuation of Britoil's assets. But there were rumours in the market market about to launch a 520p a share cast profits from \$13.08m to \$22.6m for last year and forecast profits above \$28m pre-tax and a dividend of at least 10p. for 1988.

Turnover in BP partly-paid is believed to be rallying institutional support for its Birmid bid and at least one securities brows that the KIO stake in BP house has raised its BCI profits cash bid.

10m shares after a report in the bid and at least one securities brows has raised its BCI profits cash bid.

10m shares after a report in the bid and at least one securities for may be investigated by Sir Gorest from \$145m to \$145m may be investigated by Sir Gordon Borrie, the director-general of fair trading; the new shares

asset valuation of Tricentrol—
currently the subject of a 145p
a share bid from French group
Elf – boosted Tricentrol to 167p
few penci boosted the shares 25 to 468p; turnover in Burmah was 1.4m

Ultramar continued to circuman's warning of adverse curlate in the market and Ultramar rency movements and impendshares, sold off to 212p early ing competition for Retrovir, its on, rallied strongly to close a net 8 higher at 226p on a turnover of 2.7m shares.

BAT Industries ran into US selling which contributed to the selling which contributed to the fall in the shares, down 16 at will add at least 530m to professional strong will grow the servings will grow the servings will grow the shares and that earnings will grow the shares are shared to the shares are shared to the shares are oversated, the shares are oversated, the shares are oversated.

company - Newco- which would then be floated off. Burmah were involved in takeover discussions last year with Calor - talks which were abruptly fall in the shares, down 16 at will add at least \$30m to prof-419p after 5.8m shares had its and that earnings will grow changed hands. BZW, the secu-by 50 per cent this year. broken off when agreement could not be reached. Calor rities house, has clipped the forecast of last year's profits from £1,435m to £1,380m, and stresses that its prediction for shares spurted 23 to 553p with whispers in the market that a counter to the SHV/Carless proposals could well be in the off-ing; turnover in Calor was in 1988 is not affected. Other analysts, however, could disagree with this view and may downasked about the group's uncon-ventional accounting practice, with 4.2m shares traded – after Birmid, in its first defensive on bringing forward a portion a rather disparaging Press move against Blue Circle's (BCI)

response to the independent unwelcome 300p a share cash

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-0898 123001

estimates from \$145m to \$150m for 1987 and \$170m for 1988. However, the market believes BCI, which added 12 to settled 2 off at 72p. believes BCI, which added 12 to News of the independent 437p on turnover of Im shares, will have to raise its offer sub-

Wellcome rallied to close a few pence better at 387p despite mixed views from UK before a late downturn left the despite mixed views from UK shares a net 3% up 166p.

Stake-building rumours in company following the chair-

Minor movements in the big-four banks disguised another day of substantial activity in the sector. Lloyds remained a busy market with turnover of almost 4m shares again largely made up of trades carried out made up of trades carried out via the inter-dealer broking systems - market stories continue to highlight rumours of pak Foods, MDUSTRIALS (3) Amber Inda.

"down-under" buying interest. Barclaye eased 3 to 490p although there remained persistent speculation that the bank is about to launch a bid for America's Irving Bank. Stan-dard Chartered, up 13 at 538p, continued to attract buyers after the Bank of England clearance and talk of the immi-nent sale of US subsidiary Union Bank Corp for up to

tled in mid-session by rumours of big losses incurred in the traded options market but later rallied to show only marginal falls on the day.

In insurances Royals were finally 3 off at 404p despite strong market talk of buying by Australian interests, while broking firm Willis Faber spurted 8 to 243p amid rumours that a sizeable shareholding is being accumulated via the inter-dealer broking screens; turnover in Willis topped 3m shares. Expansion opes boosted Dewey Warren 9

ICI remained under selling ASDA-MFI, unchanged at 168p pressure and fell away further following a turnover of 8.3m

in a volume of some 3.1m shares to close % lower at £10% as currency influences continued to undermine sentiment. In contrast, buying intererst per-sisted in Coates Bros. which improved 10 further to 363p in a limited market.

Dixons attracted another substantial turnover— around 5,6m shares changed hands—and the share price advanced from an initially depressed 188p to close a net 6 higher at 196p; rumours early in the session of a bid from Woolworths were shrugged off by dealers. Marks and Spencer, where turnover totalled 3.8m shares, hardened to 186p. Burton Group progressed 3 to 235p and Harris Queensway 5 to 134p. Ward White edged up 3 to 312p after a presentation at a leading broker. Wigfalls spurted 20 to 176p in the wake of the recommended share exchange bid from Bennett and Fountain; the latter stipped 4 to 38p. The interim loss left Sumrie 8 lower at 67p, but preliminary pre-tax profits up from £360,000 to £1.72m boosted Colorvision 12 to 182p. Dixons attracted another

boosted Colorvision 12 to 182p.

Cable & Wireless remained under a cloud and lost 11 more to 344p. STC dipped 6 to 229p and Ferranti 3 to 86p. In the second—liners Electronic Machine lost 5 to 80p despite son and Nicholson. second-liners Electronic
Machine lost 5 to 80p despite the return to profits over the full year.

Among the Engineers, Hill and Smith responded to the good results and the encourag-ing statement on the outlook with a rise of 11 at 1709p. Bichards (Leicester) moved up 20 to 283p in belated response to news that Mr Peter Hodgson, chairman of Petrocon, had

chairman of Petrocon, had increased its stake in the comapny to 28.75 per cent while speculative interest left Simon 7 to the good at 269p.

The buoyancy of white sugar prices, futures hit a four-year high earlier this week in New York, generated support of Tate & Lyle, firmer at 783p, and good buying of S & W Berisford, which gained 7 more to 328p. However, the most actively traded Food issue was ASDA-MFI, unchanged at 168p

occasional buying interest leaving Land Securities 5 to the good at 458p and MEPC a similar amount better at 441p. British Land encountered a good demand and put on 5 to 272p. Mountleigh, in contrast, drifted back 6 to 164p despite announcing half-year figures at the top end of market estimates. shares. Watson & Philip rose 8 to 210p but Unigate weakened that much to 283p.

The major international stocks ended the session with small losses after a day of fluc-tuating fortunes. Final quota-

tuating fortunes. Final quotations were usually above the worst but the closing tone was uncertain as Wall Street continued to alide in the early dealings yesterday. Reflecting the impressive performance, encouraged increased demand trend, Beecham settled 2 for Allied Textiles which spurted 23 further to 363p. 445p at one stage. Pilkington, down 3 further at 230p in a volume of some 3.3m shares, stating.

chesper at 4019, after thickington, down 3 further at 230p in a volume of some 3.3m shares, continued to drift lower as BTR bid hopes faded further.

English China Clays reacted 13 to 394p in the wake of a Fund management groups turned down following a cau-tious reading of the statement 13 to 394p in the wake of a County Nat West sell recommenaccompanying the annual results of market leader M & G. dation. Gestetner, which announced annual pre-tax prof-its of £22.79m compared with results of market leader M & G.
The group unveiled profits
sharply higher at \$23.3m some \$3m above the top market
estimate - but alsowarned that
"if stock markets continue at or
around present levels the company was unlikely to make the
same profits in the current year its of £22.79m compared with forecasts ranging from £19m to £24m, advanced to 189p before falling back to close a few pence batter on the day at 188p. Further consideration of the interim figures left Kenyon Securities 5 firmer at 280p. Bise Arrow, up 2 at 100p, also traded firmly following news that it is acquiring Slade Group, one of Australia's foremost recruitment agencies for an intital consideration of £2.1m. Rank Organisation drifted back another 5 to 602p await-

M & G, in which Australian M & G, in which Austranan entrepreneur Alan Bond recently bought a stake, eased only marginally to close 4 off at 275p but the losses were more severe among other groups. Berkeley Govett dropped 20 to 175p, GT Management lost 9 to 143p and Henderson Administration fell 40 to 855p. stration fell 40 to 665p.

Smith New Court, the independent securities house, weak-ened before and after the Investors continued to shy away from Lucas Industries announcement concerning a loss of \$1.25m incurred in traded options dealings. The shares closed 20 down at 168p. levels the shares reacted 14 more to 579p. Abbey Panels, in contrast, were raised 20 to

and with marketmakets reluc-

tant still to increase their book

425p in a narrow market, while Lookers further responded to

the recent impressive annual results, gaining 8 to 283p.

motion company, attracted buy-ing inquiries on analysts' recommendations inspired by the strong bounce in mid-term profits. The Wood Mackenzie team rate the shares a "buy" on the basis that "quality manage-

ment continues to invest resources in the development of the business". At the close, the shares were 3 higher at 156p. Hopes that the improved sec-ond-half performance would continue lifted Crown TV Prod-nets. 2 to 55p. while revived

oped in the Property sector. Interest, however, centred

23 to 163p.

Clarke Hooper, the sales pro-

Turnover in traded options contracted with 16,787 calls and 8,515 puts giving an aggregate of 25,302 contracts. Business in the FT-SE comprised 2,059 calls and 1,802 puts. Rolls-Royce attracted the day's biggest turnover with calls biggest turnover with calls totalling 1,928 and puts 379 contracts. There were 1,205 calls and 575 puts in Bats, and 874 calls and 702 puts in GEC.

Traditional Options

 First dealings Jan 18
 Last dealings Jan 29 • Last declarations Apr 21 • For Settlement May 3

For rate indications see end of ucts 2 to 53p while revived London Share Service speculative demand swept, Interest in the Traditional USM-listed Michael Peters up option market fell away to an USM-listed Michael Peters up option market fell away to an extremely low level. Geo. Wim-A little more activity develpey, Dixons and Martin Ford oped in the Property sector. were dealt in for the call. No Interest, however, centred put options were reported but a mainly on the leaders with double was arranged in Dixons.

FT - ACTUARIES INDICES

track when New York bonds opened strongly.

By the end of the session,

gains ranged to around % at the long end of the range, where the Treasury 13 per cent '00 were that amount higher at

1224. Traders reported some retail interest but most of the

support came from professional

cent '13 stock. Burmah became

the latest oil share to rocket to

600p a share bid for the group

These Indices are the joint compilation of the Financial Times.

	EQUITY GROUPS		Thurst	lay Jan	Wed Jan 20	Tite Jan 19	Mos Jas 18	Year ago (approx			
& SUB-SECTIONS Figures in parentheses show number of stocks per section		Index No.	Day's Change %	Est. Earnings Yield% (Mass.)	Gross Div. Yield% (Act at (27%)	Est. P/E Ratio (Net)	nd adj. 1988 to date	ladex No.	index No.	index No.	lodes No.
ì	CAPITAL 600DS (208)	732.18	-0.8	9.82	3.96	12.77	0.15	737.94			
2	Building Materials (30)	964.36	-0.7	10.15	3.89	12.25	0.43	973.58	982.81	991.68	
3	Contracting, Construction (33)	1435.38		9.38	3.49	14.16	0.38	1436.53			
4	Electricals (12)	2638.65	-0.4	9.18	4.76	14.10	0.00	2938.95			
5	Electronics (32)	1498.53	-13	18.65	3.47	12.25 12.83	0.80	1518.99			
6 8	Mechanical Engineering (57)	379.82 443.92	-85 -11	9.83 9.70	4.39 3.78	12.44	0.14 0.60	381.76 448.97			
9	Motors (13)	271.62	1 -11	11.07	4.28	10.51	6.88	274.77			
10	Other Industrial Materials (24)	1238.45	-0.8	2.41	419	14.11	813	1247.81			
21	CONSUMER GROUP (185)	1829.43	+81	8.61	354	14.79	0.28	1828.67			
22	Brewers and Distillers (21)	975.79		11.38	4.04	11.15	6.62	976.39			
25	Food Manufacturing (23)	913.55	+0.6	9.13	3.82	14.05	1.86	838.76			774
26	Food Retailing (16)	2064.91		7.80	297	17.03	0.80	2064.96	2679.09	2078.46	
27	Health and Household Products (10)		-0.2	6.72	2.57	17.76	8.80	1750.67			
29	Leisure (31)	117L69	-0.4	7.82	4.02	15.94	0.80	1175.88	1179.89		
31	Packaging & Paper (16)	494.44	-0.4	8.65	3.72	15.21	0.24	4%.38	496.60		
32	Publishing & Printing (16)	3398.04		6.55	4.35	19.29	3.39	3398.91	3426.23		
4	Stores (35)	845.22 501.04	+0.4	8.92 11.29	3.59 4.03	15.04 10.22	2.0.0 20.0	841.76 582.84	834.85 591.10		
35	Textiles (17)	853.43	-11	10.76	432	11.56	0.03	962.64 842.61	875.31		
10 11		1091.57	-67	6.66	2.19	19.26	9.03	1099.28	2109.78		
12	Agencies (19)	1048.79	-8.6	9.74	4.47	12.61	0.14	1854.91	1077.89		
3	Conglomerates (1.3)	1139.77	-0.8	18.43	4.58	11.80	0.00	1142.48			
15	Shipping and Transport (11)	1865.90		9.25	4.54	1416	6.80	1867.69			1672
77	Telephone Networks (2)	965.85	-13	11.89	4.67	11.20	8.00	917.99	925.40	938.08	875.
18	Miscellaneous (27)	1123.07	-2.0	13,44	4.22	8.87	0.00	1145.76	1165.84	1189.05	1193.
19	INDUSTRIAL GROUP (485)	914.44	-0.5	9.51	_ 3.86	13.24	17	918.64	925.49	936.20	916.
51	On & Gas (15)	1722.14	+0.5	9,65	5.71	12.78	0.00	1714.ml	1715.22	1743.19	1594.
9	500 SHARE INDEX (500)	982.98	-0.3	9.53	414	13.17	8.76	926.95			_
	FINANCIAL GROUP (124)	652.68	-0.2		4.81		811	453.72	654.15		
2	Banks (8)	85437	-84	19.78	5.87	6.68	0.00	672.24			
5	Insurance (Life) (8)	967.73	-0.4		4.76		8.00	973.86			
6	Insurance (Composite) (7)	991.52	-0.1	l =	5.47	-	6.06	564.28	507.18	515.18	
۶I	Insurance (Brokers) (8)	941.22	+1.1	11.77	6.11	10.87	0.08	938.67	926.14		
8	Merchant Banks (11)	348.31	-0.9	l - 1	4.89		6.00	351.4B	353.15	353.19	
9	Property (52)	990.20	+0.6	5.32	3.96	24.02	8.18	984.43	98634	998.49	
70	Other Financial (30)	388.57	-1.1	9.42	4.28	13.40	0.64	392.93	393.65		_
72	Investment Trusts (86)	230.49		- -	3.06		0.32	830.38	831.13	843.40	
32	Mining Finance (2)	432.22	-1.0	18.52	3.95	10.71 12.52	0.06	436.44	447.84	453.41 1022.57	
71	Overseas Traders (8)	1017.07	-1.0	9.43	4.98		0.00	1927.28			
79	ALL-SHARE INDEX (720)	894.15	-0.3	-	421	-	0.15	896.87	982.50	912.60	
		ladex	Day's	Day's	Day's	Jan 20	Jan 19	, Jan 18	<u>تحد</u> 15	Jan 14	Yea
-	FT-SE 100 SHARE INDEX &	No. 1747.2	Change -5.6	High 1754.5	1733.1		1768.0				
	FIXED INTER			NGE GRO MPTION			The Jan 21	Wed Jan 20	Yea ago (appro		

	FI)	KED I	NTE	REST	•		AVERAGE GROS REDEMPTION Y	The Jan 21	Wed Jan 20	Year ago (approx.		
	PRICE INDICES	Thu Jan 21	Day's change %	Wed Jan 20	xt adj. today	xd adj. 1988 to date	1 2 2	British Government Low Company	5 years	8.93 9.43	8.97 9.47 9.31	9.31 9.78 9.78
2 3 4	Sritish Government 5 years 5-15 years Over 15 years Irredeemables	122.39 138.31 147.59 162.58 135.55	+0.30 +0.29 +0.81	122.24 138.04 147.16 161.27 135.28	- 8.15 - - 8.97	1.68 6.88 6.00 9.00 9.80	9	Medium Cospons High Cospons	5 years	89 94 94 95 95 94 95 95 95 95	9.57 9.66 9.50 9.67 9.82 9.53 9.34	10.28 10.67 9.90 10.33 10.22 9.92 9.67
6	All stocks	124.39 113.54 114.26	+0.11	124.26 112.66 113.45	- - -	8.00 0.36 0.33	13 14	Inflation rate 10%	Over 5 yes	1.48 3.85	2.49 4.07 1.51 3.89	3.27 3.72 1.64 3.56
_	Ochenhres & Lease	117.17 86.32	_	116.77	-	8.63 0.17	拼	Date &	5 years 15 years 25 years	10.96 10.86 10.86	18.94 10.91 18.91	10.85 10.85 10.85

NEW HIGHS AND LOWS FOR 1987/88 Briarley Inva., St. Gobain, LEISURE (2)
Prism Leisure Corp., Zetters Leisure
PAPERS (1) Ferry Picturing, PROPERTY (1)
Clayform Prop. Warrants, TRUS78 (7) Child
Health, Cond. Assets Warrants, Greenfrier
trv., Mid Wynd Inv. Tat., Second Marinst Inv.,
Beriosley Govett & Co., Clayton Robard,
AMMES (5) Durban Deep, Angle Amer., Asia
Oli & Minarais, Austwhim Res., Emperor
Minas, Gem Ervin, & Mina.

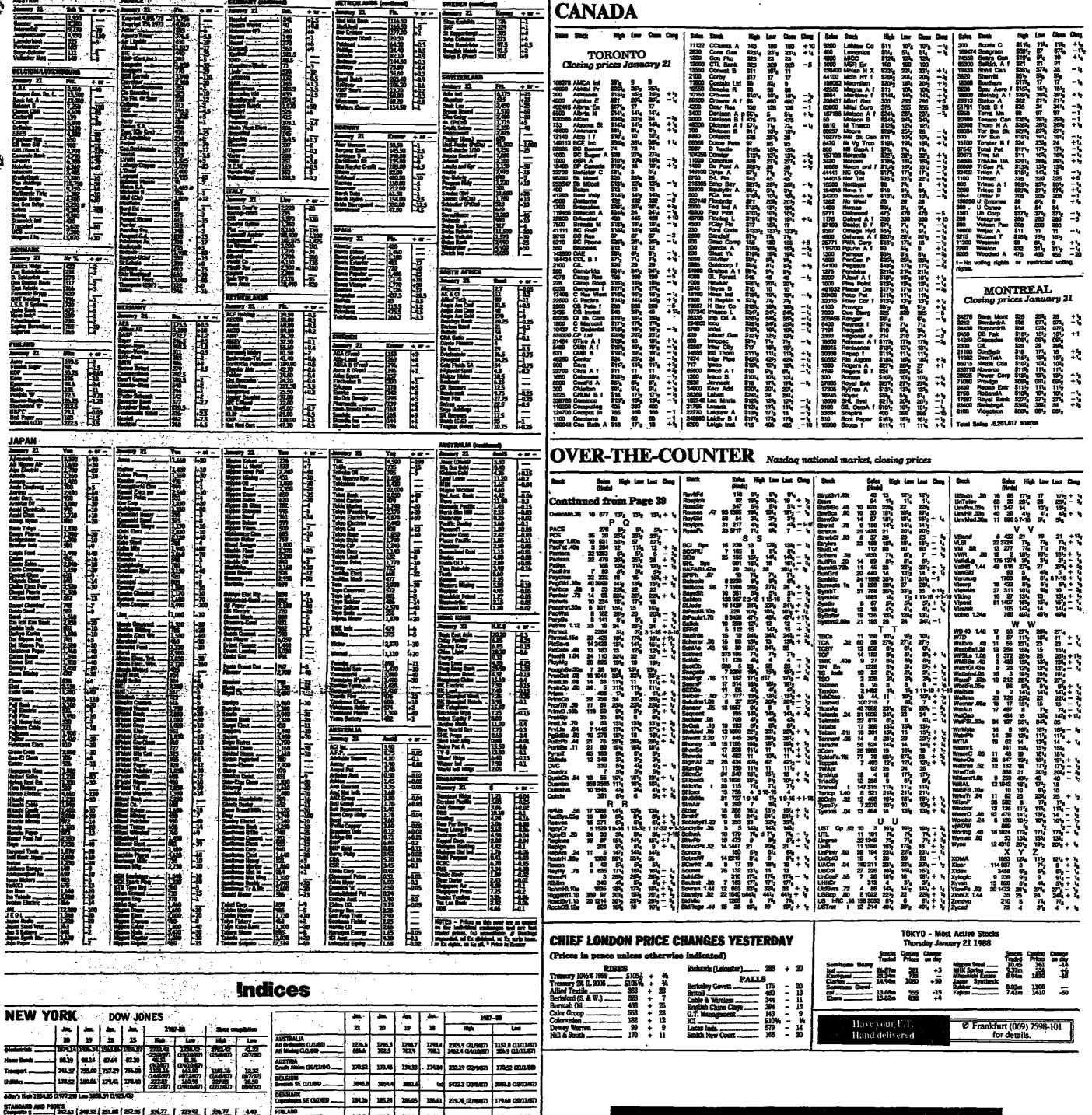
RISES AND FALLS YESTERDAY

TRADING VOLUME IN MAJOR STOCKS

LONDON RECENT ISSUES

Amount Pald ap

WORLD STOCK MARKETS

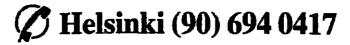


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Dow fluctuates but fails to recover lost ground

Wall Street

EQUITIES fluctuated yesterday but by the close the market was little changed and had failed to recover any of the ground lost in Wednesday's 57 point slump, writes Janet Bush in New York.

The Dow Jones Industrial Average peaked with a gain of 13 points in early trading, then declined to lose about 20 points. It later recovered to nearer Wednesday's closing lev-

The Dow closed 0.17 points higher at 1,879.31. Volume was unremarkable at about 158m

Wednesday afternoon had been the most active session for days, as heavy programme trading and genuine institu-tional liquidation of portfolios combined to give a healthy level of activity.

Much the more active market yesterday was the Treasury bond market. By midsession, long-dated maturities had risen more than a full percentage point but the market later drifted below its highs. The Treasury's 30-year 8.875 per cent benchmark issue closed about 1% point higher to yield

Bonds have generally profited from the weak state of the equity market this week, which has seen some switching of funds from stocks to bonds.

Prices were also bolstered by the dollar's rebound from its overnight weakness in the Far-East and rumours that the US Federal Reserve had been telephoning banks in New York to enquire about their dollar rates. This tactic is sometimes used moved temporarily to a full instead of actual open market point discount to the cash marintervention as a warning shot ket.

SOUTH AFRICA

SPORADIC late bargain hunting helped lift Johannesburg gold shares off early lows after a weak start on the higher finan-

The listless bullion price also depressed the mood, with heavyweight golds Vaal Reefs losing R4 to R308 after hitting a session's low of R302. Drie-

paper but will invest in long-dated paper as well, using some dated paper as well, using some of the proceeds of its foreign exchange market intervention in support of the dollar. The report was neither confirmed or denied, but seemed well information the face of it have looked impressive, have been tooked badly by the market and

Bonds also moved higher after the release of figures showing claims for state unemployment insurance had risen by 33,000 in the week ended January 9. There is still a divi-

Many agree with Mr Albert Wojnilower, a managing director of First Boston, who said that "a country with a strong economy, weak currency and huge trade deficit is bound to undergo rising interest rates and fight credit scoper or and tight credit sooner or later." However, others saw the jobless claims figures as evidence to support the view that the economy is already slowing

headed for recession or not.

down into a recession. The dollar had touched lows of Y128.55 and DM1.6505 in Tokyo after remarks by Mr Clayton Yeutter, US trade rep. Clayton Yeutter, US trade rep. resentative, in Hong Kong. He said that although the US trade he did not expect to see a sig-nificant improvement until the nificant improvement until the second half of this year and into 1989.

Equities had started higher yesterday, posting a gain of around 13 points before sliding into negative territory. There was some programme selling as Standard & Poors 500 futures

Wednesday's 57 point fall Bonds were given a boost by seemed to mark a change in the a detailed Japanese news quality of equities selling. Since agency report in Tokyo that the the first week of January,

against the easier trend with a R3.50 gain to R251.50.
Other mining shares followed the downturn in golds. Mining financials also softened, with

Anglo American losing a fur-ther R1 to R48 and Gold Fields of South Africa shedding 75 Leading diamond stock De Beers closed 50 cents cheaper at R29. Industrial leader Bar-

Bank of Japan will no longer when the market rallied limit itself to investing in strongly because of the rising short-term US government dollar, equities have been drifting lower but there had been little institutional activity.

taken badly by the market and have had an exaggerated impact on other stocks, provid-ing evidence of an extremely

ervous atmosphere. First Boston was expected to sion of opinion in the bond mar-announce details of a manage-ket about whether the US is ment shake-up in the company's trading and sales operations as well as lay-offs. Figures being aired suggest perhaps more than 500 jobs will be lost. BankAmerica, which has been cutting jobs drastically for two years, is expected to lay off another 5,000 this year.

No announcement had emerged by the close and First Boston closed \$\% higher at \$26 and BankAmerica rose \$\% to

Stop & Shop, the supermar said it was seeking a friendly merger and Stop & Shop said it was reviewing the proposal.

Among blue chips, International Business Machines recov-

from Business macrimes recovered \$% to \$111 after steep losses earlier this week, Eastman Kodak was \$½ higher at \$49, General Electric fell \$½ to \$43¼ and Merck put on \$2½ to

Canada

DECLINES BY major share groups, led by golds, dragged the market broadly lower. Toronto stocks recovered some ground but posted a loss at the

Among energy issues, Shell Canada lost C\$% to C\$38, Impe-

EUROPE

Institutional buying lends support London

EUROPEAN institutional investors were in evidence yesterday, moving to buy and thereby restrict fall-out after Wednesday's steep decline on Wall Street. Domestic factors also came into play and pared losses on some bourses. Dutch shares ish stocks were heartened by

corporate results.
FRANKFURT rebounded from a weak opening on Wall Street's overnight losses and the easier dollar to close steady. Late bargain hunting from investment funds and retail players supported prices and the FAZ closing index held above 400 at 401.31, off 4.42. The Commerzbank index

Car stocks rallied slightly after several weak sessions. Daimler managed to claw back from a low of DM525.50 to end a net DM2 higher at DM540. BMW added DM8 to DM486 and Porsche preference shares held

at DM416 AMSTERDAM received late

A late burst of optimism rescued London equities from an otherwise poor session overhung by disap pointing money-supply and bank-lending figures and jitters over Wall Street's overnight fall. The FT-SE 100 index fell 5.6 to 1,747.2.

Earlier in the session, share prices had drifted. The midsession ANP-CBS index was retail players supported prices and the FAZ closing index held above 400 at 401.31, off 4.42. The Commerzbank index showed a midsession loss of 13.7 at 1,225.2.

Car stocks willed classifications of lower profits.

ZURICH ended little changed as the market drifted in time with the dollar. Wednesday's decline on Wall Street weighed depressed activity. The Crédit Suisse index slipped 0.8 to

Blue chips edged higher but support from a 4 percentage banks closed narrowly lower point cut in leading interest while industrials turned mixed. rates, including the discount rate, the fifth reduction since shed SFr25 to SFr9,250 after

the company raised its offer for Sterling Drug to \$81 from \$76.

PARIS was lifted off early lows in busy trade on the last day of the accounting month. Late buying by state-owned institutions halved losses to around 1.5 per cent. The CAC opening index dropped to its lowest level since tate 1985, losing 8.3 to 255.2.

Retailers and electronics

Retailers and electronics issues recovered on late bargain-hunting but building stocks slumped on the weaker

aged by the announcement of bourse trading.

Volvo's preliminary profits and expectations that there may be a breakthrough in a strike by white-collar workers which is crippling the private sector.

MADRID weakened with all sectors posting broad declines at the end of a lacklustre day.

The general index lost 2.97 to crippling the private sector. crippling the private sector.

The all-share index tumbled 7.75 to 258.60. DnC lost issues recovered on late bargain-hunting but building stocks alumped on the weaker dollar.

Blue chips ended off their lows, with Peugeot down FFr15 at FFr835 after touching a low of FFr817.

BRUSSELS dipped as holdings succumbed to profit-taking after sharp rises on Wednesday. Société Générale de Belgique, staving off a public offer by Carlo De Benedetti, saw its Réserve share untraded for the fourth day.

Chemicals were little changed and banks turned mixed.

STOCKHOLM was encouraged by the announcement of Volve's preliminant profits and

Portugal to limit price fluctuation

SHARES on Portugal's stock SHARES OR POTTINGAL 8 SLOCK exchanges are to be limited to price fluctuations of no more than 15 per cent a day from February 15, Reuter reports from Lisbon.

Lisbon's national stock market executive commit-tee announced the new price calling without giving an explanation. A previous 5 per cent limit was lifted in November last year.

Prices on the Oporto and Lisbon markets have swung widely since November. The Lisbon index, which hit a peak of 6,812.7 in early October fell to 2,866.5 in

Price changes are often exaggerated by the lack of liquidity in the market, with prices swinging in response to even one big buy or sell order, according to ana-

Portugal is also moving to computerise share dealings to hasten share dealing.

Nikkei falls again as despondency sets in

Tokyo

THE LATE slump on Wall Street and the yen's advance against the dollar further discouraged investors in Tokyo yesterday and the Nikkei stock average suffered its third suc-

cessive decline, writes Shigeo Nishiwaki of Jiji Press. Trading in major issues fell sharply, but speculators showed interest in selected small-capitalisation stocks in the hope of reaping immediate

The composite index, which had fallen about 31 points in earlier trading, dropped 15.64 to 3106.93 as declines outpaced advances by 488 to 302 on light turnover of 22m shares.

Golds were mostly lower. Lac Minerals dropped C\$\% to C\$12\%, Placer Dome lost C\$\% to C\$17\%, Echo Bay fell C\$\% to C\$26\% and Giant Yellowknife declined C\$\% to C\$19\%.

Among energy issues, Shell small-capitalisation stocks in the hope of reaping immediate profits.

The Nikkei average lost 132.88 to close at 22,710.26 on volume totalling 518.45m shares, against Wednesday's 503.51m. The index ranged from a high of 22,810.57 at the outset to 22,603.08 at one stage. Declines outnumbered advances by 590 to 304, with 137 issues unchanged. Individual and institutional

investors were sidelined, while rial Oil class A declined CS4 to speculators bought smaller cap-C\$56% and Gulf Canada ital issues priced below Y1,000. Sumitomo Heavy Industries, the most active stock with

26.87m shares traded, fluctuated between Y512 and Y539, finishing Y3 higher at Y521. Speculative interest continued to mount as the company con-tinued with the development of a protoype motor vehicle.

Mitsubishi Estate advanced

Y50 at one stage, but buying tapered off and the stock ended Y10 lower at Y1.830. Sumitomo Chemical, a market leader since the company announced efforts to develop a drug against Acquired Immune

Deficiency Syndrome (AIDS), lost Y15 to Y955. High technology stocks fell over a broad front as buying tapered off in tandem with the ascent of the yen. Hitachi lost Y30 to Y1,230, while NEC and Matsushita Electric Industrial dropped Y70 each to Y2,000 and Y2,220, respectively. Sony declined Y100 at Y4,740. Hitachi was the most active among chi was the most active among high-tech issues, but turnover

the stock amounted to only 3.86m shares. Among large-capital stocks, Nippon Steel declined Y14 to Y361, Ishikawajima-Harima low volume.

Heavy Industries lost Y18 to Y650 and Kawasaki Steel shed Y8 to Y323. However, Tokyo Electric Power and Tokyo Gas both benefited from the yen's appreciation and climbed Y50 to Y4,870 and Y12 to Y808,

respectively.

Bond prices opened higher after the yen's early advance. Expectations of a further reduction in short-term interest rates also helped push up prices. But later, as it became evident that there would be no out in bill discount rates discount. cut in bill discount rates, disap-pointed dealers, wary of the fast price increase, sold to bring down prices.

The yield on the benchmark 5.0 per cent Government bond due in December 1997 sank to a low of 4.170 per cent from Wednesday's 4.265 per cent. Later in the day it recovered to 4.250 per cent.

The renewed strength of the yen prompted widespread selling in high-tech stocks on the Osaka Securities Exchange. The OSE stock average shed 103.36 to 23,069.82 in comparitively

Australia

DECLINES in metal prices and the sharp fall on Wall Street pulled leading shares and mining issues broadly lower in limited turnover. The All Ordi-naries index lost 18.8 to 1,276,

rowly lower with heavyweight stocks hardest hit. BHP, Australia's largest

One Pharmaceutical shot up Y200 to Y6,250 and Toyo Line-leum scored a maximum allowable daily gain of Y109 to Y1,020. But Rohm lost Y170 to Y4,210.

Elders' 18 per cent stake in BHP will be transferred to a company owned jointly by BHP and Elders.

Diversified miner Peko Wallsend shed 10 cents to A\$7.40

isend shed 10 cents to A\$7.40 on rumours of a stake-building exercise by Industrial Equity.

Hong Kong

its low for the day. Industrial issues finished nar-

listed stock, fell 20 cents to A\$6.80. It announced a major restructuring after the market

Bell Resources was York, Tokyo and Hong Kong, unchanged A\$1.40. Its stake in share prices in Singapore BHP was cut to 10 per cent slipped lower, despite scattered from 29 per cent in the reshuf-bargain-hunting. Blue chips,

SUBSTANTIAL declines in property issues kept share prices on or near their day's lows by the close. Foreign investors initiated a broad self-off which lifted turnover, but it was largely a sellers market. The Hang Seng index lost 71.97 to 2,412.32.

Singapore

TRACKING declines in New York, Tokyo and Hong Kong, bargain-hunting. Blue chips, however, came under profitfile. Brewing, agribusiness, however, came under profit-property and finance concern taking pressure after recent Elders IXL fell 2 cents to gains. The Straits Times indus-A\$3.18 on heavy turnover. trial index slid 14.46 to 909.60

Harmony was down RI.25 at low Rand gave up 75 cents to Resources dropped C5% to R30.25, but Randfontein moved close at R21. The weight of bad debts is depressing New Zealand shares, writes Dai Hayward

Wellington brokers feel squeeze

FOLLOWING the default of no knowledge of the credit-worfour New Zealand stockbrokers since Christmas, the Wellington order. Stock Exchange is moving to tighten its rules. Brokers too are tightening credit controls and conditions for buying and selling. However, these moves may be too late for some bro-kers, who have been left hold-ing debts of thousands dollars as clients refuse to pay for shares slashed in value since

The problems facing New Zealand brokers are linked in various degrees to last Octo-ber's crash. However, they are more directly caused by theina-bility of brokers to cope with the huge rise in share turnover during the preceding market boom and to weaknesses in stock exchange control systems and regulations.

and regulations.

During last year's hectic trading, brokers struggled to cope with the huge number of daily transactions. Share certificates put options.

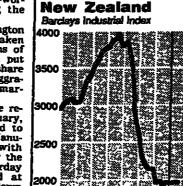
However, these moves may be the last to help some deeply often took up to three months to be issued. Some shares were bought and resold two or three times before the original buyer received the certificate and many brokers put through large orders on credit with little or

Confidence in the Wellington market has also been shaken recently by the revelations of hidden agreements, secret put options and interlocking share deals. This in turn has aggravated the New Zeyland markets. vated the New Zealand mar-

Since the stock exchange re-opened for the year in January, the market has continued to slip. A 43-point rally on January 18 was short-lived, with almost half of this lost by the following Thursday. Yesterday the Barclay index stood at 1,962 – about 60 per cent down on its high point last Septemer.

To restore confidence in the market, therefore, the stock exchange is working to tighten several rules. Traders will be required, for instance, to give more information on settlement

too late to help some deeply indebted brokers. It is reported that one large broker has pri-vately listed up to 20 stock-broking firms it regards as being at risk either to a moder-



ate or serious degree.

Moreover, there is no doubt that some smaller firms, especially in provincial cities, are doing too little business, or earning insufficient brokerage fees to meet running costs. Many have cut staff and closed branches.

In addition to the wider problems, several smaller firms.

1500

including two which have defaulted, were caught up in the financial manoeuvres of staff and associates of a sharemarket tip sheet.

Working through several brokers in early October these brokers bought on credit several million Omnicorp shares at around NZ\$1.50 each. They intended to recommend the share strongly in the tip sheet and then take profits from the

expected price rise. The buy recommendation was made in the week of the stock market crash, however, and the value of Omnicorp shares fell by half before the plotters could unload their shares and

pay the broker. Several brokers were left with huge debts as a result. One of those involved in this scheme has hurriedly left for Australia, leaving debts of more than NZ\$1m. The fraud squad, however, decided no criminal offence had actually been com-

mitted. Responsibility for recovering these and other outstanding debts resulting from the market's rise and sharp fall lies lems, several smaller firms, with the brokers themselves

100.72 | 139.73 | 100.00 | 111.00

93.88

First Debenture Finance PLC

This advertisement appears as a matter of record only. Listing particulars prepared in accordance with the listing rules made under section 142 of the Financial Services Act 1986 have been registered with the Registrar of Companies in Cardiff.

Issue of £80,000,000 11.125 per cent. Severally Guaranteed Debenture Stock 2018 at 99.057 per cent.

First Debenture Finance PLC was formed as a special purpose borrowing vehicle for

The Brunner Investment Trust PLC Kleinwort Charter Investment Trust PLC Kleinwort Smaller Companies Investment Trust plc The Merchants Trust PLC

managed by

Kleinwort Grieveson Investment Management Limited

Kleinwort Benson Limited

- acted as financial adviser to First Debenture Finance PLC
- arranged the investment of £18.8 million of the proceeds of the issue with Leeds Permanent Building Society
 - arranged a matching interest rate swap for Leeds Permanent Building Society

and in conjunction with

Kleinwort Grieveson Securities Limited

Kleinwort Grieveson Charlesworth Limited

completed the placing of the Stock.

FT - ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	ĺ	THURS	AAUNAL YAG	Y 21 1988		WEDNE	SDAY JANUA	RY 20 1988	DOLLAR INDEX			
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div, Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987/88 High	1987/88 Low	Year ago (approx)	
Australia (93) Austria (16) Belgium (48) Canada (127) Denmark (38) Finland (23) France (124) West Germany (94) Hong Kong (46) Ireland (14) Lapan (457) Malaysia (36) Meaico (14) Netwerland (37) New Zealand (24) Norway (24) South Africa (61) Spain (43)	90.27 104.42 109.83 112.78 110.86 69.16 91.70 110.20 72.74 141.28 120.26 110.56 95.58 75.86 103.25 105.75 129.14 134.84 101.12 77.41	-0.9 -0.9 -0.3 -0.5 -0.9 -1.4 -0.9 -1.4 -0.3 +3.1 -0.5 -1.8 -2.7 -1.8 -0.6 -1.2 +0.8	82.73 74.50 86.18 93.07 91.49 92.79 97.08 75.67 90.95 60.03 116.59 97.25 97.24 78.88 62.60 85.21 106.57 111.28 83.45 63.89	93.21 78.06 89.87 101.96 98.02 94.18 66.92 91.72 97.20 66.44 113.88 269.07 81.51 60.67 89.03 98.47 89.55 115.28 89.59	4.85 2.68 5.28 3.05 1.43 3.11 5.73 4.66 2.89 0.61 3.17 2.55 3.07 4.49 3.51 2.56	101.16 91.12 104.76 110.40 113.78 112.33 70.13 94.42 111.23 73.80 141.38 120.61 107.23 96.60 107.02 128.05 135.72 99.89 78.03	83.67 75.37 86.65 91.32 94.11 92.91 63.96 58.00 78.10 92.00 61.04 116.93 99.76 88.69 79.45 63.89 87.76 88.52 105.91 112.25 64.54	94.43 78.69 90.04 102.49 98.61 95.38 68.02 60.54 94.02 67.30 114.16 118.45 259.98 81.83 61.76 91.30 99.92 86.81 115.92 88.81	180.81 102.87 134.89 141.78 124.83 121.82 104.93 158.69 160.22 112.11 161.28 193.64 422.59 131.14 138.99 185.01 174.28 198.09 168.81 136.64	85.36 85.53 94.63 98.18 76.08 68.80 72.04 100.00 93.76 90.07 87.70 73.39 95.51 81.21 100.00 100.00 88.50 73.65	103.40 99.53 103.72 109.36 122.82 110.81 98.72 100.38 112.06 103.13 112.83 113.06 105.23 113.06 105.23 117.20 94.32 105.19	
Switzerland (53) United Kingdom (331) USA (588) Europe (973) Pacific Basin (682)	129.76 99.39 99.72 137.77	-0.8 -0.1 +0.2 -0.6 -0.2	107.09 82.02 82.29 113.70	107.09 99.39 84.73 111.79	4.36 3.73 4.00 0.85	78,03 129,87 99,19 100,30 137,99	82.96 114.13	65.24 107.41 99.19 85.27 112.48	111.11 162.87 137.42 130.02 158.77	99.65 91.21 92.25 100.00	110.02 112.96 106.30 111.96	
Pacific Basin (082) North America (715) Europe Ex. UK (642) Pacific Ex. Japan (225) World Ex. US (1857) World Ex. US (1857) World Ex. UK (2114) World Ex. So. Af. (2384) World Ex. Japan (1988)	122.58 99.95 81.12 95.53 122.21 111.77 113.26 100.00	-0.3 +0.2 -1.1 -1.6 -0.3 -0.1 -0.1	101.16 82.48 66.95 78.84 100.86 92.24 93.47 82.53	100.97 99.55 70.62 89.97 100.96 99.68 100.46 93.92	1.88 3.69 3.66 5.00 1.95 2.34 2.53 3.86	122.94 99.78 81.99 97.10 122.56 111.91 113.41 100.16	101.69 82.53 67.82 80.32 101.37 92.56 93.80 82.84	101.59 99.39 71.30 91.64 101.58 100.03 100.80 94.12	136.77 143.65 137.55 111.97 164.03 143.38 138.82 139.47 134.22	100.00 91.68 78.89 82.92 100.00 100.00 100.00	109.71 112.77 98.68 101.50 109.73 111.10 110.99 110.14	

-0.1 93.56 100.38 2.55 113.51 The World Index (2445)..... Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US S Index), 90.791 (Pound Sterling) and 94.94 (Local)
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